

## But for the Plan

### (Real Estate: Exclusive Listing Agreements - Get Legal Advice Before You Sign)

Carl and Gloria (not their real names) were retirees who owned a small home on a big lot in the Greater Toronto Area. One by one they had seen the small homes in their neighbourhood sold, torn down and replaced with larger ones.

Carl and Gloria started thinking about selling their home as well. They contacted a real estate agent who had left a flyer in their mailbox. The agent said that he had buyers interested in purchasing in their neighbourhood.

When the agent came to their home, he told them that before he could introduce a potential buyer to the property, Carl and Gloria would have to sign a paper so that he would get his commission. In the back seat of the agent's car, at night, he showed them where to sign. Gloria remarked that she felt she was signing her life away, but she signed anyway.

What they signed was an exclusive listing agreement.

Ultimately, the agent showed Carl and Gloria an offer to purchase the home, told them that it was a good deal, and that prices could start to fall at anytime. Again, the agent simply showed Carl and Gloria where to sign. He was very persistent, and would not let them wait until their daughter returned from a holiday. He said the agreement had to be signed immediately or the deal could be lost. Reluctantly, they signed.

Later, feeling very unsure about the situation, Carl and Gloria contacted Paul Vayda at the Oakville office. Paul reviewed the agreement and saw that the purchaser was a numbered company, and that numbered company was operated by the real estate agent. Paul also arranged for a real estate appraisal. It revealed that the sale price was two-thirds of the market value!

Paul immediately wrote to the purchaser's lawyer, demanding that the agreement be rescinded because of the duress and misrepresentations made by the agent. He also insisted that Carl and Gloria be let out of the exclusive listing agreement.

Ultimately, the agent and his lawyer succumbed to Paul's legal arguments and agreed to release Carl and Gloria from both the purchase agreement and the exclusive listing agreement.

But for the Plan, and without Paul Vayda's quick intervention, Carl and Gloria may have completed the agreement without proper legal advice and lost one-third of the value of their home. Instead, they were free to properly sell their home for its true market price.