

Choose from Articles: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17

1. Make only truthful and objective statements.

2. Avoid the unauthorized practice of law.

3. Participate in professional standards enforcement.

4. Keep client funds in separate escrow accounts.

5. Receive compensation from one party only with informed consent.

6. Respect exclusive relationships.

7. Cooperate with other brokers.

8. Disclose present or contemplated interests in property.

9. Treat all parties honestly.

10. Arbitrate contractual disputes.

11. Equal professional services for all.

12. Make your "true position" known when presenting offers.

13. Be competent in your field of practice.

14. Get transactional details in writing.

15. Disclose pertinent facts.

16. Disclose financial benefits from recommending products/services.

17. Paint a true picture in advertising.

Exercise: Article 1, Case Study 1

At the time Seller Sam signed an exclusive listing agreement with REALTOR® Ron they discussed market conditions and prevailing prices, and agreed on listing at \$350,000. After six weeks with no apparent interest in the house, Seller Sam called REALTOR® Ron to learn why his property was receiving scant attention from prospective buyers. REALTOR® Ron said, "It's not hard to diagnose the trouble. Your property is overpriced. That was clear to me by the time we had it listed for ten days. In this market, it would take a really interested buyer to go as high as \$325,000 for it. That's why it hasn't been possible for us to push it." "When you reached that conclusion, why didn't you tell me?" asked Seller Sam. "Because," said REALTOR® Ron, "it wouldn't have done any good. I know from experience that sellers can't be convinced that they are overpricing their property until they get tired of waiting for an offer that will never come. Now that the market has taught you something that you would not take as advice, let's reduce the price to \$320,000 and push it."

Seller Sam complained about REALTOR® Ron to the Board of REALTORS®, detailing these circumstances, strongly insisting that REALTOR® Ron had fully agreed with him on the price at which the property was originally listed.

Seller Sam reiterated this point strongly at the hearing of his complaint which was held before a Hearing Panel of the Board's Professional Standards Committee. REALTOR® Ron did not contest this, taking the position that at the time of the listing it was his judgment that a price of \$350,000 was fair and obtainable in the market. He stated that a strong immediate sales effort had convinced him that the listed price was excessive, and he defended his action of reducing his sales effort as he had done in his discussion with the client. He said that many years of experience as a broker had convinced him that once a seller decides on a definite price for his property, no argument or analysis will shake his insistence on getting that price; that only inaction in the market is convincing to the sellers.

Questions

1. Do you think Realtor Ron is in violation of the Code, Article 1?

- a. No, Seller Sam agreed to the price in the beginning.
- b. Yes. Realtor Ron should have contacted the seller as soon as he realized the price was too high and discussed a price change.
- c. Yes, Realtor Ron should have priced the home at \$149 to begin with to get the home sold.
- d. No. Seller Sam had an obligation to notify Realtor Ron when they were willing to reduce the price of the property.

2. What was Ron's obligation to Sam?

- a. Ron's obligation was to protect and promote the interests of Sam, his client, and notify him immediately once he no longer thinks the price of the home is accurate.
- b. Ron's obligation was to serve his client, Sam, but it was just as much Sam's responsibility to initiate the conversation with regard to a price change as Ron's.
- c. Ron had no obligation to Sam other than to list and price the home at the direction of his client and market it as he sees fit.

Exercise: Article 1, Case Study 2

The small commercial building is reasonably priced, in good condition, and located on a high-traffic street in a quaint neighborhood of Chicago, so it is no surprise that two offers are made only after a few days on market. John, the listing broker, presents both offers to the seller, Kathy. One of the offers is from a client of John's and the other is an offer from Buyer Broker Bob's client.

"These offers are both full price, with no contingencies, and there seems to be no difference between them," says Kathy to John. "Can we make a counter-offer for more money?" she asks. John explains that countering a full-price offer could result in one or both buyers walking away from the table.

"Okay, I'll tell you what," says Kathy, "If you reduce your commission, I'll accept the offer you procured. Although you will earn a little less than we agreed in the listing contract, you'll still get more than you would if you had to pay the other buyer's broker." John agrees.

Buyer Broker Bob learns from his client, who contacted seller Kathy directly to find out why her full-price offer wasn't accepted, that listing broker John had reduced his commission to make the offer that he procured more desirable. Bob is very upset.

Questions

1. **Can John renegotiate his listing commission at the time he presents the two offers?**
 - a. No. John is bound to the commission he agreed to in the listing contract.
 - b. Yes, John may renegotiate the listing commission, but only before he presents the offers.
 - c. Yes, John is permitted to renegotiate the listing commission at any time.
 - d. John may only raise the listing commission, not lower it.

2. **By reducing the listing commission, can John present both offers in an objective manner, as required by Standard of Practice 1-6?**
 - a. No. John could not possibly be objective when presenting an offer from his own client.
 - b. Yes. Standard of Practice 1-6 requires only that offers be presented "quickly".
 - c. No. By agreeing to reduce the commission, John indicates that Bob's client's offer is no good.
 - d. Yes. John's reduction of the listing commission alone does not mean he cannot be objective in his presentation. Agreeing to reduce the listing commission is simply part of the negotiation process.

3. **Under Article 3, as established in Standard of Practice 3-4, is John obligated to inform Bob that he modified the listing commission prior to the offer being accepted?**
 - a. Yes. By reducing the listing commission for the offer he procured, John created a "dual commission arrangement", one that must be disclosed.
 - b. No. Even though John might have created a "dual commission arrangement", disclosure of such to Bob is not "practical" given the situation.
 - c. No. Standard of Practice 3-4 does not require a listing broker to disclose a dual commission arrangement.
 - d. No. Reduction of the listing commission during negotiations does not create a dual or variable rate commission arrangement as defined in Standard of Practice 3-4.

Exercise: Article 2, Case Study 1

Ron, a REALTOR®, listed a motel for sale and prepared a sales prospectus setting out figures reporting the operating experience of the owner in the preceding year. The prospectus contained small type at the bottom of the page stating that the facts contained therein, while not guaranteed as to accuracy, were "accurate to the best of our knowledge and belief," and carried the name of Ron as the broker.

Buyer Jeff received the prospectus, inspected the property, discussed the operating figures in the prospectus and other features with Ron, and signed the contract.

Six months after taking possession, Jeff ran across some old records that showed discrepancies when compared with the figures in Ron's prospectus. Jeff had not had as profitable an operating experience as had been indicated for the previous owner in the prospectus, and the difference could be substantially accounted for by these figures. He filed a charge of misrepresentation against Ron.

At the hearing, Ron took responsibility for the prospectus, acknowledging that he had worked with the former owner in its preparation. The former owner had built the motel and operated it for five years. Ron explained that he had advised him that \$10,000 in annual advertising expenses during these years could reasonably be considered promotional expenses in establishing the business, and need not be shown as annually recurring items.

Maid service, he also advised, need not be an expense item for a subsequent owner if the owner and his family did the work themselves. Ron cited his disclaimer of a guarantee of accuracy. Jeff testified that he had found maid service a necessity to maintain the motel, and it was apparent that the advertising was essential to successful operation. He protested that the margin of net income alleged in the prospectus could not be attained as he had been led to believe by Ron.

Questions

1. Do you think Ron is in violation of the Code?

- a. No. Ron disclosed all pertinent information about the financial operation of the motel in the prospectus.
- b. Yes. Ron withheld pertinent information about the financial operation of the motel in the prospectus.
- c. No. The disclaimer stating the prospectus was "accurate to the best of our knowledge and belief" protects Ron from any omissions.
- d. Yes. Ron had an obligation to arrange a meeting between Jeff and the previous owner to review the motel's financial records.

1. What was Ron's obligation to Jeff?

- a. To fully disclose financial information that he reasonably should have known to be relevant and significant.
- b. To formulate an optimistic prospectus to encourage Jeff to purchase the property.
- c. To accurately convey information given to him by the seller.

Exercise: Article 2, Case Study 2

REALTOR® Rhonda searched the MLS database of current listings on behalf of her client, Dr. Dave, who had recently completed his residency and was returning home to take a position on the staff of the community hospital. REALTOR® Rhonda's search returned several listings that satisfied Dr. Dave's requirements, including a two-story residence listed with REALTOR® Mark that showed, in the "Remarks" section, "Pay your mortgage with rent from the apartment upstairs."

REALTOR® Rhonda sent the listings she'd identified in an e-mail to Dr. Dave. A day later, REALTOR® Rhonda received a call from Dr. Dave who told her there was something about REALTOR® Mark's listing that struck him as odd. "That house is in the neighborhood I grew up in," said Dr. Dave, "I also remember our neighbors having a problem with the Building Department when they added a kitchen on the second floor so their grandmother could have her own apartment."

REALTOR® Rhonda assured Dr. Dave that she would make the necessary inquiries and get back to him promptly. Her call to the Building Department confirmed Dr. Dave's suspicion that the home was zoned single family.

Feeling embarrassed and misled by REALTOR® Mark's apparent misrepresentation, REALTOR® Rhonda filed a complaint with the local association of REALTORS® alleging misrepresentation on the part of REALTOR® Mark for publishing inaccurate information in the MLS.

At the hearing convened to consider REALTOR® Rhonda's complaint, REALTOR® Mark acknowledged the seller had told him that the conversion had been made to code but without the necessary permits, and the apartment had never been rented. "I assumed the new owners could get a variance from the Building Department," he said.

Questions

1. **Did Mark violate Article 2?**
 - a. No. Once he was contacted by Rhonda, Realtor Mark explains to her exactly why he thinks the future owners might be able to obtain a zoning change or variance from the Building Department.
 - b. Yes. Mark misrepresents the property information in the MLS.
 - c. No. It is outside Mark's expertise to know whether the property's zoning provides for an apartment.
 - d. Maybe, depending on whether the seller told Mark to list the property in the MLS that way.

2. **Should Mark have identified the building as having a revenue generating apartment?**
 - a. Yes. As indicated by the seller, the apartment was built "to code".
 - b. No. Mark knew that the building would need to have a zoning change or variance from the Building Department before it could legally be rentable.
 - c. Yes. The former owners did write-off the apartment on their taxes.
 - d. Yes. Mark made no representation that the apartment was legally built.

Exercise: Article 3, Case Study 1

Lucy is a listing broker who published an offer of cooperation and compensation in MLS for one of her listings, price of \$300,000). The offer of compensation to MLS participants was for X percent. Sam saw the MLS listing, showed the property and wrote an offer on the property for Barney Buyer. When Sam delivered the offer to Lucy, she said "Oh, by the way, I had to reduce my commission the other day to keep the seller happy. I can only pay Y percent co-op fee now." (Y is 1 percent less than X.)

Questions

1. What Standard of Practice under Article 3 applies to this case?

- a. Standard of Practice 3-4 (dual or variable rate commissions).
- b. Standard of Practice 3-2 (changes in compensation offers).
- c. Standard of Practice 3-1 (terms of compensation offers).
- d. Standard of Practice 3-3 (mutually agreed changes in compensation).
- e. Standard of Practice 3-8 (availability of listed property).

2. Is Lucy in violation of the Code?

- a. Yes. She failed to timely communicate the change in cooperative compensation before Sam produced an offer to purchase.
- b. No. Listing brokers establish the terms and conditions of offers to cooperate and Sam had the obligation to ascertain those terms.
- c. Yes. It is unethical for Lucy to change the cooperative compensation once it is established.
- d. No. Whatever the seller dictates to Lucy is what the cooperating broker must accept.

3. If Sam files an arbitration claim against Lucy for the compensation offered through the MLS, should Sam prevail?

- a. No. A possible violation of the Code of Ethics is not a determining factor in an arbitration claim.
- b. No. Lucy is the "master of her offer" and can change it at any time before the closing.
- c. Yes. An arbitration panel would likely rule in Sam's favor if Sam can prove that he produced an offer that resulted in the sale before Lucy attempted to change her compensation offer.
- d. No. Lucy is only obligated to split based on what the seller pays, regardless of what was originally published in the MLS.

Exercise: Article 3, Case Study 2

The offer, contingent on the sale of the buyer's current office building, is accepted by Seller Sam. But, Sam instructs Bill, the listing broker, to continue to market the property with the hope that a better offer or one without a contingency would be made.

One week later, Buyer Broker Steve contacts Bill to arrange a showing of the property to an out-of-town client. "I think it's the perfect building and location for my client's business. He'll be here this weekend," says Steve. Bill sets up the showing for the weekend, but says nothing about the previously-accepted purchase offer.

After seeing the property with his client, Steve drafts a purchase offer and sends it to Bill's office. At Seller Sam's instruction, Bill informs the original buyer of the second offer, and the buyer waives the contingency.

Bill informs Steve that Sam intends to close on a previously-accepted contract now that the "sales contingency" has been removed. Steve is very upset that Bill did not tell him about the previously-accepted offer. Bill says he continued to market the property and did not make other brokers aware it was under contract to promote his client's best interest by continuing to attract buyers.

Questions

1. **Is Bill obligated to disclose the accepted offer to other cooperating brokers?**
 - a. Yes. Standard of Practice 3-6 clearly establishes that Bill must disclose accepted offers.
 - b. No. It could have affected Bill's ability to obtain future offers.
 - c. No, not if the seller instructed Bill to keep it confidential.
 - d. No, not if the offer included unresolved contingencies.

2. **Does Bill's obligation under Article 1 to protect and promote his seller client's interests mean that he should not reveal the accepted offer?**
 - a. Yes. Bill's obligation to protect and promote the client's interests controls and Bill should not be found in violation of the Code.
 - b. Yes. Because Article 1 is a higher priority than Article 3, Article 1 controls.
 - c. No. Article 1 also requires that Bill be honest with all parties. This obligation of honesty, along with the requirement of Standard of Practice 3-6, requires Bill to make the disclosure of the accepted offer.

- d. Yes. Article 1 emphasizes fiduciary obligations and overrides any other obligation that potentially conflicts with it.

Exercise: Article 11, Case Study 1

It was a listing that Leo, a REALTOR®, now wished he had never taken. Keith, Leo's close friend, was selling his home and was adamant about having Leo list the property. Leo appreciated the gesture, but repeatedly told Keith that his experience was in commercial properties and not residential. In addition, Keith's home was in an area of the city that Leo didn't know much about. Leo strongly urged Keith to have the house appraised. Keith insisted he knew the area and that \$166,000 was the home's fair market value. This amount seemed low to Leo, but he listed the house at this price. It quickly sold to a young couple, Linda and Brian.

Five months later Leo received a call from Keith, who was upset. Keith told Leo that he met the buyers, Linda and Brian, at a party and found out the two were moving because Linda had been reassigned to another city by her company. The couple had received an offer on the house for \$190,000, which they declined, feeling they could do better. Keith was upset at Leo for not giving him better advice concerning the \$166,000 sale price.

Questions

1. In addition to Article 11, which other Article might apply to this case?

- a. Article 5
- b. Article 10
- c. Article 1
- d. Article 2

2. Is Leo in violation of the Code?

- a. Yes. He failed to do a market analysis when listing the home. In addition, he should have provided Keith an appraisal at his cost.
- b. No. He had no obligation to Keith once Keith insisted on Leo listing the property.
- c. Yes. Even though he told Keith about residential sales being outside his field of expertise, he was also required to "engage the assistance" of a residential real estate broker.
- d. No. He fully disclosed to Keith that he was a commercial broker and that Keith's property was outside his area of expertise. He also recommended that Keith have the property appraised.

Exercise: Article 11, Case Study 2

Sean considers refinancing a twenty-three-unit apartment building he has owned for several years to unlock some of the equity. The lending firm, ABC Mortgage, orders an appraisal for the property from REALTOR® Paul, who happens to be a licensed appraiser and a commercial real estate broker. The appraisal report is complete with the property address, date prepared, value, purpose, and market data. After receiving the appraisal, Sean is surprised to learn how much the building has appreciated and decides to sell the property instead of refinancing it.

Because Sean likes how thorough REALTOR® Paul was with the appraisal process and knowing that he is a commercial broker, Sean hires Paul to represent him as his listing broker. Within one week, an offer is made on the property and accepted.

During the loan application, the prospective purchaser informs the new lender that the property was recently appraised for ABC Mortgage. The lender is surprised to learn that Paul is both the listing broker and the appraiser, and that no disclosure was made about his “contemplated interest” as established in Standard of Practice 11-1.

Questions

1. **As used in Standard of Practice 11-1, does Paul have a “present or contemplated interest” in the property when he does the appraisal?**
 - a. Yes, as a licensed commercial broker, there always is the chance that Paul could have listed the property in the future.
 - b. No. At the time of the appraisal, Sean had no interest in selling the property.
 - c. Yes, Paul was paid to conduct the appraisal.
 - d. No, ABC Mortgage ordered the appraisal.

2. **Is Paul in Violation of Article 11?**
 - a. Yes. Paul should have disclosed in the appraisal that he is a licensed broker.

- b. No, Paul provided all of the appropriate information in his appraisal, and at that time, he had no intention of listing Sean's property.
- c. Yes, Paul is not qualified to conduct the appraisal.
- d. Yes, Paul is not qualified to list the property.

Exercise: Article 16, Case Study 1

Tony operates a small accounting firm and owns the building that houses his offices. Given the recent growth of his firm, Tony purchased a larger office building and is planning to relocate. He enlisted the services of Sue, a REALTOR®, to sell his current office building and entered into a 90-day exclusive agreement.

Three months later and one week before Tony was to close on the new building, Tony's previous building remained unsold. Sue had shown the property only five times in the three months. "I think I should get another agent," Tony said to Fred, his friend. Fred suggested that Tony talk to Laura, a REALTOR® who had helped Fred sell his office building. Fred told Tony, "I'll give Laura a call, tell her about your situation, and see if she can help."

After Laura received Fred's call, she decided to call Sue to ask when her listing agreement with Tony expired. Laura had heard of Sue, but had never spoken to her. When Laura finally reached Sue after leaving a number of messages, Sue was abrupt, refusing to discuss her listing or disclose when it expired. Laura explained that under the circumstances she could go directly to the seller to get the information, thinking this might elicit a response from Sue. Instead, Sue hung up.

Laura then called Tony. He recognized Laura's name from his conversation with Fred and was happy to hear from her. Laura explained her services and indicated she would be happy to list Tony's office building after his exclusive listing agreement with Sue expired.

Two weeks later Sue's listing expired and Laura listed Tony's property. By the end of the month, it was sold.

Questions

1. What Standard of Practice under Article 16 applies to this situation?
 - a. Standard of Practice 16-6 (discussions with others' clients).
 - b. Standard of Practice 16-4 (soliciting other's clients).
 - c. Standard of Practice 16-2 (general mailings).
 - d. All of the above.

2. Is Laura in violation of Article 16?
 - a. Yes, Laura's call to Tony was an unethical solicitation.
 - b. No, Article 16 doesn't apply.
 - c. No, Laura followed the exact procedure specified by Standard of Practice 16-4.
 - d. Yes, Laura was required to get Sue's permission to deal with Sue's client Tony.

3. What was Laura's obligation?

- a. Not to solicit Sue's listing unless Sue refused to tell Laura the nature and expiration date of the listing.
 - b. None. Listings are fair game for solicitation at any time.
 - c. Not to solicit Sue's listing under any circumstances.
 - d. Not to solicit Sue's listing unless Sue's client, Tony, called Laura directly without Laura directly or indirectly initiating the discussion.
4. Is Sue in violation of Article 16?
- a. Yes, Sue is required to give Laura the nature and expiration date of the listing when Laura asks.
 - b. No, Sue is not required to give Laura the requested information.
 - c. Sue is not in violation of Article 16, but she is in violation of Article 3 by refusing to cooperate with Laura.

Exercise: Article 16, Case Study 2

REALTOR® Barbara has an exclusive listing on Sue's property – a banquet hall that seats 2400 people. An offer for the property is submitted by Buyer Broker Mike. Barbara takes Mike with her to present the offer to Seller Sue later that evening. Sue is interested but wants time to think it over.

The next day, Mike thinks about what an inept job Barbara did presenting his client's offer -- it was as if she didn't fully understand it. There were several important considerations that Barbara did not explain to Sue. Because he attended the presentation and was involved in the negotiations, Mike decides to contact Sue directly to ask if she has any questions and to explain some of the finer points of the offer. Although the offer is less than the list price, Mike thinks it is fair and recommends that Sue accept it. After a little more discussion, Sue agrees. The contract is signed, and a copy is faxed to Mike's office.

When Mike calls Barbara to tell her about the sale, she becomes very upset because Mike worked directly with Sue, rather than her.

Questions

1. **Identify the Standard of Practice that applies to this situation?**
 - a. 16-2
 - b. 16-4
 - c. 16-13
 - d. 16-14

2. **Is there an obligation on Mike's part to work through Barbara?**

- a. No, the fact that Barbara had introduced Mike to Sue opened the door for him to carry on the negotiations with Sue directly.
- b. It depends on whether Barbara had expressly precluded Mike from contacting Sue directly.
- c. No. Mike has always been able to contact Sue directly.
- d. Yes. Mike should have worked only through Barbara, Sue's listing agent.

Pathways to Professionalism

Exercise: Case Study 1

Buyer agent Olivia represents Tom. On March 18, she picks Tom up to view several properties. Tom immediately notices that Olivia's car is a mess. CDs, listing sheets, kids' toys, food wrappers and coffee cups litter the floors and seats. "What can I say, I'm a busy agent with little time to clean my car", she laughs to Tom. After clearing a place for Tom to sit, they drive off to the first showing.

Agent Olivia found the first property in the local MLS. The showing instructions mention a lockbox on the property, and Olivia learns from another agent in her office that the sellers are out of town. Olivia does not contact the listing broker to show the property because she already has a lockbox access code. Just before entering the property, Olivia gets a call from her son's school. She gives Tom the access code to the lockbox and tells him to take a look while she takes the call. After she hangs up, Olivia is surprised to see a dog running around the front yard. Tom left the front door open and the owner's dog got out. She manages to get the dog back inside. Then Olivia realizes she and the dog have tracked mud in the foyer. Frustrated and surprised by the dog being there, Olivia decides it might be best to take Tom to the next showing before she tracks mud throughout the home. She hurries Tom out of the house, without turning off the lights, locking the front door, or replacing the key in the lockbox.

At the next property, the listing broker told Olivia to expect the seller to be home. Olivia knocks loudly – but no one answers. She uses the lockbox key to unlock the door. Before entering she announces that she and Tom have an appointment to look at the home. Hearing nothing, Olivia and Tom walk through the home, room to room. Once in the master bedroom, Olivia and Tom discuss the room's features, and their own likes

and dislikes about the owner's decorating. They hear noise from the master bath and realize the seller is in the shower. Embarrassed, Olivia and Tom hurry out of the property without speaking to the seller.

While they were in the second home, it started to rain. Tom and Olivia are soaked by the time they get to Olivia's car. In order to dry off and get comfortable, Olivia pulls into a nearby gas station and uses the bathroom to change into the gym clothes she'd worn two days earlier. She and Tom then head to the third and last showing for the day. On the way there, Tom tells Olivia that he'd rather skip the showing and just go home. She takes him home and continues on her day without cancelling the third appointment or changing her clothes.

Questions

1. **Olivia obviously makes several errors that violate the Code of Ethics. Based on Pathways to Professionalism, in which incident is Olivia displaying a lack of respect for her peers?**
 - a. She allows Tom to look around the house without accompanying him.
 - b. She tracks mud into the foyer and leaves before cleaning it up.
 - c. She does not clean up her car before taking Tom to view properties.
 - d. She does not contact the listing broker because she has a lockbox access code.

3. **Using the guidelines in Pathways to Professionalism, list five guidelines Olivia violates in terms of respect for property.**

Pathways to Professionalism

Exercise: Case Study 2

Buyer agent Courtney has been working with Max for several months. Max has high expectations, and Courtney hasn't been able to find the right property for him. When 1101 Wellington hits the market, it looks like it could be the one. Courtney promises Max that she will schedule a showing right away – before anyone else. Unfortunately, she's unable to reach the listing broker. The first opportunity for Courtney and Max to see the property is the open house on the following weekend. Courtney and Max attend the open house. While there, Courtney tells several other people touring the home that she is an agent, and she would be willing to work with them. On their way out, Max runs into an old friend and they begin to talk. While waiting for Max, Courtney is approached by a woman she talked to in the house. The woman indicates that her agent couldn't attend the open house, and that she had a few questions. Courtney answers her questions to the best of her ability.

The following day, Max wants to see the property again. He's very interested. Courtney contacts the listing broker to set up another showing. The listing broker agrees to meet them at the property and indicates that the seller will be there, too. Due to terrible traffic, Courtney and Max are 45 minutes late. Courtney does not call the listing agent to let her know they are running late. At the property, Courtney, Max, and Max's new puppy tour the home. Courtney is delighted at the prospect of Max submitting an offer. While in the large great room, Max comments that he would paint the room a better color. Courtney responds, with the

homeowner in a different room - but close enough to hear, "Yes, the colors in some of the rooms are dreadful." After they finish touring the home, Courtney thanks the seller and the listing agent for their time.

The next day, Courtney receives an e-mail from the listing agent following up on last night's showing. Courtney reads the e-mail but figures she'll respond only if Max decides to make an offer. A week later Max decides to make an offer. Courtney faxes the offer along with numerous comparable properties to justify the purchase price (52 pages total) to the listing agent.

Questions

1. **Taking into consideration the Pathways to Professionalism guidelines, Courtney is demonstrating a lack of respect for _____ when she and Max comment that the paint color in some rooms is dreadful.**
 - a. the public.
 - b. her peers.
 - c. the property

2. **Of the many errors Courtney makes in this scenario, which incident demonstrates her lack of respect for the public?**
 - a. Courtney does not account for traffic and she and Max are late for the showing.
 - b. During the open house, Courtney tells other people touring the home that she would be willing to work with them.
 - c. Courtney does not contact the listing agent when she knows she will be late for the showing.
 - d. Courtney faxes the offer and comparable properties in a 52-page packet to listing agent.