

CHAPTER 240

FRAUDULENT CONVEYANCES AND CONTRACTS RELATING TO REAL ESTATE

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240.01 Conveyances, when void. Every conveyance of any estate or interest in land, or the rents and profits of lands and every charge upon lands or upon the rents and profits thereof, made or created with the intent to defraud prior or subsequent purchasers for a valuable consideration of the same lands, rents or profits, as against such purchasers, shall be void.

240.02 Conveyances not fraudulent, when. No such conveyance or charge shall be deemed fraudulent in favor of a subsequent purchaser who shall have actual or legal notice thereof at the time of his or her purchase, unless it shall appear that the grantee in such conveyance or person to be benefited by such charge was privy to the fraud intended.

History: 1991 a. 316.

240.03 Conveyances with power of revocation, void. Every conveyance or charge of or upon any estate or interest in lands containing any provision for the revocation, determination or alteration of such estate or interest or any part thereof, at the will of the grantor, shall be void as against subsequent purchasers from such grantor for a valuable consideration of any estate or interest so liable to be revoked or determined, although the same be not expressly revoked, determined or altered by such grantor by virtue of the power reserved or expressed in such prior conveyance or charge.

240.04 Such conveyances valid, when. Where a power to revoke a conveyance of any lands or the rents and profits thereof and to reconvey the same shall be given to any person other than the grantor in such conveyance, and such person shall thereafter convey the same lands, rents or profits to a purchaser for a valuable consideration, such subsequent conveyance shall be valid in the same manner and to the same extent as if the power of revocation were recited therein and the intent to revoke the former conveyance expressly declared.

240.05 Same subject. If a conveyance to a purchaser, under either s. 240.03 or 240.04, shall be made before the person making the same shall be entitled to execute a power of revocation it shall nevertheless be valid from the time the power of revocation shall

actually vest in such person in the same manner and to the same extent as if then made.

History: 1991 a. 316.

240.10 Real estate agency contracts. (1) Every contract to pay a commission to a real estate agent or broker or to any other person for selling or buying real estate shall be void unless such contract or note or memorandum thereof describes that real estate; expresses the price for which the same may be sold or purchased, the commission to be paid and the period during which the agent or broker shall procure a buyer or seller; is in writing; and is subscribed by the person agreeing to pay such commission, except that a contract to pay a commission to a person for locating a type of property need not describe the property.

(2) Every contract to pay a commission to any real estate agent or broker or to any person for leasing real estate for a term exceeding 3 years shall be void unless such contract, note or memorandum thereof describes that real estate; expresses the rent to be paid or a method to determine the same, the length of the lease, the commission to be paid, and the period during which said person shall procure a tenant; is in writing; and is subscribed by the person agreeing to pay such commission, except that a contract to pay a commission to a person for locating a type of property need not describe the property.

History: 1991 a. 163.

If a defective commission agreement signed by a principal clearly refers to a certain transaction in which a binding lease or sales contract has previously been made, it does not defeat the purpose of sub. (1) to allow the integration of that document into the commission agreement, even though there is not a specific reference to the document itself; however, if the reference to the transaction is not clear and certain, then integration should not be allowed, even in the case of a previously existing lease or sales contract. *Buckman v. E. H. Schaefer & Associates, Inc.* 50 Wis. 2d 755, 185 N.W.2d 328 (1971).

If an otherwise sufficient written memorandum is executed after the broker has performed his or her services, the fact that it specifically states that all services have been completed and is signed by the principal should be deemed substantial compliance with the requirement that a time period be stated. *Buckman v. E. H. Schaefer & Associates, Inc.* 50 Wis. 2d 755, 185 N.W.2d 328 (1971).

A valid real estate contract existed, notwithstanding the absence of a co-owner's signature. *Winston v. Minkin*, 63 Wis. 2d 46, 216 N.W.2d 38.

This section was not applicable in a broker's suit for a commission for negotiating lease when oral authorization allegedly given to the broker was communicated to the broker in Wisconsin but the place of performance of the alleged contract was Tennessee. *Paulson v. Shapiro*, 490 F.2d 1 (1973).

This section barred an action in quantum meruit for services related to the sale of real estate. *Farnsworth, McKeane & Co. v. North Shore Savings & Loan Association*, 504 F. Supp. 673 (1981).