

**Sundberg, Christopher**

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**From:** Staff, Rick -VP Legal Services [rickstaff@wra.org]  
**Sent:** Wednesday, March 09, 2005 9:33 PM  
**To:** Sundberg, Christopher  
**Subject:** RE: Limited Service Listings Legal Update

It's rough but I thought I'd run the first draft past you. I'll be on the road until late Thursday.

-----Original Message-----

From: Sundberg, Christopher  
[\[mailto:Christopher.Sundberg@legis.state.wi.us\]](mailto:Christopher.Sundberg@legis.state.wi.us)  
Sent: Wednesday, March 09, 2005 5:21 PM  
To: Staff, Rick -VP Legal Services  
Subject: RE: Limited Service Listings Legal Update

Thanks for the information. Just so we're on the same page, I'm waiting to generate another draft until you provide additional instructions to clarify the 'pre-agency' concept we discussed.

-----Original Message-----

From: Staff, Rick -VP Legal Services [<mailto:rickstaff@wra.org>]  
Sent: Wednesday, March 09, 2005 2:11 PM  
To: Sundberg, Christopher  
Subject: Limited Service Listings Legal Update

## **BROKERAGE SERVICES AND AGENCY RELATIONSHIPS**

### **452.132 Brokerage Services And Agency Relationships**

(1) (a) A broker may provide brokerage services to a party without an agency relationship with any party in the transaction prior to negotiating on behalf of the party. While providing brokerage services to a party without an agency relationship with any party in the transaction the broker shall owe all parties in the transaction the duties under 452.133 (1) and (2).

(b) No later than the time a broker begins negotiating on behalf of a party the broker shall have an agency relationship with a party or a subagency relationship with a broker in the transaction and shall provide the agency disclosure required under 452.133(3).

A broker acting as the subagent of a broker owes all parties in the transaction the duties under 452.133 (1) and owes the client of the broker offering subagency the duties under 452.133 (3).

A broker who is a party to an agency agreement owes the broker's client the duties under 452.133 (4).

452.133(1) DUTIES TO ALL PARTIES TO A TRANSACTION. When in providing brokerage services to a party to a transaction, a broker shall provide the brokerage services to the party owes the following duties to the party:

(a) To provide brokerage services to all the parties to the transaction honestly, and fairly and in good faith.

(b) Diligently exercise To provide brokerage services with reasonable skill and care in providing brokerage services to all parties.

(c) To safeguard any trust funds or other property held by the broker as required by department rules.

(d) To disclosing to each party all material adverse facts that the broker knows and that the party does not know or cannot discover through reasonably vigilant observation, unless the disclosure of a material adverse fact is prohibited by law.

(e) To keep confidential any information given to the broker in confidence, or any information obtained by the broker that he or she knows a reasonable party would want to be kept confidential, unless the information must be disclosed under par. (c) or s. 452.23 or is otherwise required by law to be disclosed or the party whose interests may be adversely affected by the disclosure specifically authorizes the disclosure of particular confidential information. A broker shall continue to keep the information confidential after the transaction is complete and after the broker is no longer providing brokerage services to the party.

(f) When requested by the party, provide accurate information about market conditions that affect a the party's transaction, to any party who requests the information, within a reasonable time of the party's request, unless disclosure of the information is prohibited by law.

~~(f) Account for all property coming into the possession of a broker that belongs to any party within a reasonable time of receiving the property.~~

### **(2) ADDITIONAL DUTIES WITHOUT AGENCY OR SUBAGENCY**

**RELATIONSHIP** In addition to his or her duties under sub. (1), a broker who does not have an agency relationship with any party or a subagency relationship with any broker in the transaction shall not place the interests of the broker ahead of the interests of any

party in the transaction or provide any party in the transaction advice or opinions that are contrary to the interests of any other party unless required by law.

(3) DUTIES UNDER SUBAGENCY RELATIONSHIP. In addition to his or her duties under sub. (1), a broker who is acting as the subagent of another broker in a transaction shall not place the interests of the broker ahead of the interests of the other broker's client in the transaction or provide non-client parties in the transaction advice or opinions that are contrary to the interests of the broker's client unless required by law.

(4) DUTIES TO A CLIENT UNDER AGENCY AGREEMENT. In addition to ~~his or her~~ the duties under sub. (1), a broker ~~providing brokerage services to his or her client~~ who has an agency agreement with a client shall owe the following duties to the client when providing brokerage services to the client within the scope of the agency agreement:

(a) When requested by the client, to provide information and advice to the client on real estate matters within the scope of the knowledge, skills and training required for licensure as a broker or salesperson under this chapter in order to assist the client to accomplish the party's expressed goals in the transaction. For the purpose of this subsection real estate matters are matters material to a party's transaction and include, but are not limited to, market information as well as contract, legal and regulatory issues.

(b) To loyally represent the client's interests by ~~not placing the interests of the broker ahead of the client's or providing non-client parties in the transaction information or advice that is contrary to the interests of the client unless required by law.~~ placing the client's interests ahead of the interests of any other party, unless loyalty to a client violates the broker's duties under sub. (1) or s. 452.137 (2).

(c) To disclose to the client all information known by the broker that is material to the transaction and that is not known by the client or discoverable by the client through reasonably vigilant observation, except for confidential information under sub. (1) (e) and other information the disclosure of which is prohibited by law.

(d) To fulfill any obligation required by the agency agreement, and any order of the client that is within the scope of the agency agreement, that are not inconsistent with another duty that the broker has under this chapter or any other law.

(e) To negotiate as defined in 452.01(5m)(a)-(d).

(5) WAIVABILITY OF DUTIES The duties at 452.133(1)(a)-(g), (2) (b)-(d) and (3) are not waivable. All or part of the duties at 452.133(2)(a) and (e) may be waived by a client. A broker shall ensure that when a client waives all or part of the duties under 452.133(2) (a) or (e) for a broker who is a party to an agency agreement with the client that the party is provided with a written statement which includes the full text of the duty waived, the elements of the duty being waived, a statement that no other broker owes the waived duties to the client and that the waiver of broker duties may require the party to retain legal counsel or other service providers to assist the party to fulfill the client's transactional goals and contractual duties through the conclusion of the transaction.

## **AGENCY DISCLOSURE**

*The proposal defines the agency relationships brokers can be a party to and establishes statutory plain-English agency disclosures for clients and customers.*

### **452.135 Agency Disclosure**

#### **(1) Disclosure of Agency Relationships and Duties To Parties**

Prior to negotiating on behalf of a customer the broker shall provide the customer the following disclosure in writing.

## **BROKER DISCLOSURE TO CUSTOMERS**

It is important for you to understand the duties the broker owes a customer under Wisconsin license law. You are a customer of the broker and may receive services from the broker or a salesperson acting on behalf of the broker. The broker's duties to you apply whenever the broker is providing you brokerage services. Note that the broker is either the agent of another party in the transaction or the subagent of another broker who is an agent of another party in the transaction. The duties the broker owes you as the broker's customer are:

- To treat you fairly and honestly.
- To use reasonable skill and care when providing you brokerage services.
- To protect your confidentiality. Unless the law requires it the broker will not disclose your confidential information or the confidential information of other parties.
- To disclose in writing known defects affecting the property and other material adverse facts affecting the transaction. The broker may also provide you with information and advice to help you in the transaction. This information and advice cannot be contrary to the interests of the broker's client or the broker offering subagency (or that broker's client) unless required by law
- To safeguard any trust funds or other property held by the broker.

Please review this information carefully. If you have any questions please ask your agent or contact your attorney for additional information or legal advice, as appropriate. This disclosure is required by Wisconsin law and is based on the statutory language found at Wisconsin statute sections 452.133 and 452.135. Please note that a broker's role is limited to providing brokerage services. You should consult your attorney for legal advice, your tax advisor for tax advice, a home inspector for a professional inspection, etc.

- (2) Prior to negotiating for a client the broker shall provide the customer the following disclosure in the agency agreement or other writing.

## **BROKER DISCLOSURE TO CLIENTS**

By entering into an agency agreement with broker (i.e. a listing or buyer agency, etc.) you have become the broker's client. The broker's duties owed to all parties are:

- To treat you fairly and honestly.
- To use reasonable skill and care when providing you brokerage services.
- To protect your confidentiality. Unless the law requires it the broker will not disclose your confidential information or the confidential information of other parties.
- To disclose in writing known defects affecting the property and other material adverse facts affecting the transaction. To safeguard any trust funds or other property held by the broker.

The additional duties owed a client by the broker are:

- When you request it the broker will give you information and advice regarding real estate matters affecting your transaction unless you release the broker from this duty.
- The agent must provide you with information about all material facts affecting the transaction (not just adverse material facts).
- The broker will fulfill all obligations under your agency agreement, as well as fulfilling your other lawful requests within the scope of the agency agreement.
- The broker will negotiate on your behalf unless you release the broker from this duty.
- The broker will not put the broker's interests ahead of yours or give non-client parties information or advice that is contrary to your interests (unless required by law). If broker has agency agreements with more than one party in the transaction and different agents are negotiating for each client there will be no change in the services and duties of the broker. If one agent is negotiating on behalf of more than one client in a transaction the agent may not place the interests of any client ahead of the interests of another client during the negotiations.

**SUBAGENCY** Note that if you authorize it in your agency agreement the broker may enter into agreements with other brokers to provide you additional brokerage assistance on broker's behalf. These brokers are known as subagents and they are agents of broker. Subagents working under broker will not put their interests ahead of yours or give non-client parties advice or opinions that are contrary to your interests (unless required by law).

### **MULTIPLE REPRESENTATION**

A broker who has an agency agreement with and is providing brokerage services to more than one client in a transaction owes all clients the duties as specified in s. 452.133 (1) and (2) except that when the broker, acting through an individual licensee, other than a business entity, is negotiating on behalf of more than one client in a transaction the licensee may not place the interests of any client ahead of the interests of another client during the negotiations.

Please review this information carefully. If you have any questions please ask your agent or your attorney for additional information or legal advice, as appropriate. This disclosure is required by Wisconsin law and is based on the statutory language found at Wisconsin statute sections 452.133 and 452.135. Please note that a broker's role is limited to providing brokerage services. You should consult your attorney for legal advice, your tax advisor for tax advice, a home inspector for a professional inspection, etc.

### **452.137 Brokers providing services to more than one client in a transaction.**

(1) ~~No~~ A broker ~~may provide~~ who has an agency agreement with and is providing brokerage services to more than one client in a transaction ~~without an agency agreement under s. 452.135 (1) with each client and a written consent to multiple representation.~~

The consent to multiple representation shall contain a statement of the broker's duties under s. 452.133 (1) to a party to the transaction who is not a client; a statement of the broker's duties to the client under s. 452.133 (2); and a statement that the clients understand the broker's duties and consent to the broker providing brokerage services to more than one client. The consent to multiple representation may contain additional disclosures by the broker or additional agreements between the broker and the clients that do not violate any duty of a broker under this chapter.

—(2) A that a broker who represents more than one client in a transaction owes all clients the duties as specified in s. 452.133 (1) and (2) except that when the broker, acting through an individual licensee, other than a business entity, is negotiating on behalf of more than one client in a transaction the licensee may not place the interests of any client ahead of the interests of another client during the negotiations.

(2) If a broker is providing brokerage services to more than one client in a transaction, no client may be considered to know any information that the broker knows unless the broker informs the client of that information or the client has other actual knowledge of that information.



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-1387/21  
CTS:lmk:pg

ln: 3/30/05 (4/12 PERREQUESTER)

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

~~Due: soon?~~

B-note

Reber

1 AN ACT *to repeal* 452.01 (2) (d), 452.01 (2) (e), 452.01 (2) (f), 452.01 (2) (g), 452.01  
2 (5m) (d) and 452.133 (1) (g); *to renumber and amend* 452.133 (2) (a); *to*  
3 *consolidate, renumber and amend* 452.137 (1) and 452.137 (2); *to amend*  
4 452.01 (1m), 452.01 (2) (a), 452.01 (2) (b), 452.01 (2) (h), 452.01 (3e), 452.01 (3m),  
5 452.01 (5m) (intro), 452.01 (5m) (c), 452.01 (5r), 452.01 (7), 452.01 (10), 452.12  
6 (3), 452.133 (1) (intro.), 452.133 (1) (a), 452.133 (1) (b), 452.133 (1) (c), 452.133  
7 (1) (d), 452.133 (1) (e), 452.133 (1) (f), 452.133 (2) (intro.), 452.133 (2) (b),  
8 452.133 (2) (c), 452.138 and 452.139 (1); and *to create* 452.01 (2) (am), 452.01  
9 (2) (bm), 452.01 (5m) (e), 452.01 (5p), 452.01 (7g), 452.01 (7r), 452.132, 452.133  
10 (1) (h), 452.133 (1) (i), 452.133 (2) (a) 2., 452.133 (2) (am), 452.133 (2) (d),

1 452.133 (4) and 452.133 (5) of the statutes; **relating to:** duties of real estate  
2 brokers and salespersons.

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***Analysis by the Legislative Reference Bureau***

This is a preliminary draft. An analysis will be provided in a later version.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

INS  
2-8

3 **SECTION 1.** 452.01 (1m) of the statutes is amended to read:

4 452.01 (1m) "Agency agreement" means a written agreement between a broker  
5 and a client ~~under s. 452.135 (1)~~ that authorizes the broker to provide brokerage  
6 services to the client and that discloses the terms and conditions under which the  
7 broker will provide those services. *a client, or customer*

8 **SECTION 2.** 452.01 (2) (a) of the statutes is amended to read:

9 452.01 (2) (a) For another ~~a party~~ *keep* and for commission, money, or other thing  
10 of value, negotiates or offers or attempts to negotiate a sale, exchange purchase, or  
11 rental of an interest or estate in real estate transaction.

12 **SECTION 3.** 452.01 (2) (am) of the statutes is created to read:

13 452.01 (2) (am) For a ~~party~~ *client or customer* and for commission, money, or other thing of value,  
14 provides information and advice on matters that are material to ~~a party's~~ *keep* transaction  
15 and that are within the scope of the knowledge, skills, and training required for  
16 licensure as a broker or salesperson under this chapter. *keep*

17 **SECTION 4.** 452.01 (2) (b) of the statutes is amended to read:

18 452.01 (2) (b) Is engaged wholly or in part in the business of selling or  
19 exchanging interests or estates in real estate; time shares; or businesses or their  
20 goodwill, inventory, or fixtures to the extent that a pattern of real estate sales or

*the customer's or  
client's OP*

*under s. 452.09(2)(a)  
and (3)(a)*



1 ~~exchanges~~ is established, ~~whether or not such real estate is owned by such person.~~  
2 Five sales or exchanges in one year or 10 sales or exchanges in 5 years is presumptive  
3 evidence of a pattern of sales or exchanges.

4 SECTION 5. 452.01 (2) (bm) of the statutes is created to read:

5 452.01 (2) (bm) For a ~~party~~ <sup>Keep</sup> and for commission, money, or other thing of value,  
6 shows a ~~party~~ <sup>client or customer (use 2x)</sup> real estate or a time share.

7 SECTION 6. 452.01 (2) (d) of the statutes is repealed.

8 SECTION 7. 452.01 (2) (e) of the statutes is repealed.

9 SECTION 8. 452.01 (2) (f) of the statutes is repealed.

10 SECTION 9. 452.01 (2) (g) of the statutes is repealed.

11 SECTION 10. 452.01 (2) (h) of the statutes is amended to read:

12 452.01 (2) (h) For another a ~~party~~ <sup>Keep</sup> and for a commission, money, or other thing  
13 of value, promotes the sale, exchange, purchase, option, rental or leasing of real  
14 estate ~~or business opportunities~~ a transaction. This paragraph does not apply to a  
15 person who only publishes or disseminates verbatim information provided by  
16 another person.

17 SECTION 11. 452.01 (3e) of the statutes is amended to read:

18 452.01 (3e) "Brokerage service" means any service described under sub. (2) (a)  
19 to ~~(h)~~ provided by a broker to another person a ~~party~~ <sup>client or customer</sup>

20 SECTION 12. 452.01 (3m) of the statutes is amended to read:

21 452.01 (3m) "Client" means a party ~~to a transaction~~ who has entered into an  
22 agency agreement with a broker ~~for brokerage services~~.

23 SECTION 13. 452.01 (5m) (intro) of the statutes is amended to read:

24 452.01 (5m) (intro) "Negotiate" means to act ~~as an intermediary~~ between the  
25 parties to a transaction provide to a client assistance within the scope of the

INS 3-23

or customer

INS 4-4

under s. 452.01(2)(a) and (3)(a)

1 knowledge, skills, and training required for licensure as a broker or salesperson  
2 under this chapter, in developing a proposal or agreement relating to a transaction,  
3 including doing any of the following:

4 SECTION 14. 452.01 (5m) (c) of the statutes is amended to read:

5 452.01 (5m) (c) Presenting to a party client <sup>or customer</sup> the proposals of other parties to the  
6 transaction and ~~informing the party receiving a proposal of the advantages and~~  
7 ~~disadvantages~~ giving the client <sup>or customer</sup> a general explanation of the provisions of the  
8 proposal.

9 SECTION 15. 452.01 (5m) (d) of the statutes is repealed.

10 SECTION 16. 452.01 (5m) (e) of the statutes is created to read:

11 452.01 (5m) (e) Acting as an intermediary to facilitate or participate in  
12 communications between a client <sup>or customer</sup> and another party related to the client's <sup>client or customer's</sup> interests  
13 in a transaction.

14 SECTION 17. 452.01 (5p) of the statutes is created to read: <sup>or customer</sup>

15 452.01 (5p) "Negotiate" does not include providing to a client <sup>or customer</sup> advice or opinions  
16 that relate to real estate or showing real estate or a time share to a client.

17 SECTION 18. 452.01 (5r) of the statutes is amended to read: <sup>or customer</sup>

18 452.01 (5r) "Party" means a person seeking to sell, exchange, buy or rent an  
19 interest in real estate, a business or a business opportunity. "Party" includes a  
20 person who seeks to grant or accept an option to buy, sell or rent an interest in real  
21 estate, a business or a business opportunity engage in a transaction.

22 SECTION 19. 452.01 (7) of the statutes is amended to read:

23 452.01 (7) "Salesperson" means any person licensed under this chapter other  
24 than a broker who is employed by a broker to perform any act authorized by this  
25 chapter to be performed by a broker.

INS 4-23

1 SECTION 20. 452.01 (7g) of the statutes is created to read:

2 452.01 (7g) "Subagency agreement" means a written agreement between a  
3 broker and a subagent that authorizes the subagent to provide brokerage services  
4 in a transaction on behalf of the broker within the scope of the agency agreement  
5 between the broker and the broker's client.

6 SECTION 21. 452.01 (7r) of the statutes is created to read:

7 452.01 (7r) "Subagent" means a broker who has entered into a subagency  
8 agreement with another broker.

9 SECTION 22. 452.01 (10) of the statutes is amended to read:

10 452.01 (10) "Transaction" means actions, including negotiations, intended to  
11 result in the sale, exchange, purchase, or rental of, or the granting or acceptance of  
12 an option to sell, exchange, purchase, or rent, an interest in real estate, a timeshare,  
13 or a business or a business opportunity its goodwill, inventory, or fixtures, whether  
14 or not the business includes real estate.

15 SECTION 23. 452.12 (3) of the statutes is amended to read:

16 452.12 (3) <sup>VICARIOUS</sup> ~~BROKER'S LIABILITY FOR ACTS OF EMPLOYEES~~. Each broker shall  
17 supervise, and is responsible for, the acts of, brokerage services provided on behalf  
18 of the broker by any broker, salesperson, or time-share salesperson employed by  
19 licensed or registered under the broker.

20 SECTION 24. 452.132 of the statutes is created to read:

21 **452.132 Brokerage services; customers.** A broker may provide brokerage  
22 ~~services to a customer, except that a broker may not negotiate on behalf of a customer.~~

23 SECTION 25. 452.133 (1) (intro.) of the statutes is amended to read:

INS  
5-9

INS  
5-15

INS 5-21

INS  
5-20

authorized by the broker to  
provide brokerage services  
on behalf of

A broker who is

client or customer in

1 452.133 (1) BROKER'S DUTIES TO ALL PARTIES TO A TRANSACTION. (intro.) ~~In~~

2 providing brokerage services to a party to a transaction, a broker shall do all of the

3 following owes all of the following duties to the party <sup>keep</sup> other parties to the  
4 transaction

5 SECTION 26. 452.133 (1) (a) of the statutes is amended to read:

6 452.133 (1) (a) Provide The duty to provide brokerage services to all parties to  
7 the transaction honestly, and fairly and in good faith.

8 SECTION 27. 452.133 (1) (b) of the statutes is amended to read:

9 452.133 (1) (b) Diligently exercise The duty to provide brokerage services with  
10 reasonable skill and care ~~in providing brokerage services to all parties.~~

11 SECTION 28. 452.133 (1) (c) of the statutes is amended to read:

12 452.133 (1) (c) ~~Disclose to each party~~ The duty to disclose all material adverse  
13 facts that the broker knows and that <sup>a</sup>the party does not know or cannot discover  
14 through reasonably vigilant observation, unless the disclosure of a material adverse  
15 fact is prohibited by law.

16 SECTION 29. 452.133 (1) (d) of the statutes is amended to read:

17 452.133 (1) (d) ~~Keep~~ The duty to keep confidential any information given to the  
18 broker in confidence, or any information obtained by the broker that he or she knows  
19 a reasonable party would want to be kept confidential, unless the information must  
20 be disclosed under par. (e) or s. 452.23 or is otherwise required by law to be disclosed  
21 or the party whose interests may be adversely affected by the disclosure specifically  
22 authorizes the disclosure of particular confidential information. A broker shall  
23 continue to keep the information confidential after the transaction is complete and  
24 after the broker is no longer providing brokerage services to the party <sup>a</sup>

in the  
transaction

SECTION 30. 452.133 (1) (e) of the statutes is amended to read:

INS 6-24

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452.133 (1) (e) Provide The duty to provide, when requested by a party, accurate information about market conditions that affect a the party's transaction, to any party who requests the information, within a reasonable time of after the party's request, unless disclosure of the information is prohibited by law.

SECTION 31. 452.133 (1) (f) of the statutes is amended to read:

452.133 (1) (f) ~~Account for all~~ The duty to safeguard trust funds and other property coming into the possession of a held by the broker that belongs to any party within a reasonable time of receiving the property as required by rules promulgated by the department under s. 452.13 (5).

SECTION 32. 452.133 (1) (g) of the statutes is repealed.

SECTION 33. 452.133 (1) (h) of the statutes is created to read:

452.133 (1) (h) The duty not to place the broker's own interests ahead of the interests of a party to a transaction.

SECTION 34. 452.133 (1) (i) of the statutes is created to read:

452.133 (1) (i) The duty not to provide advice or opinions to parties to a transaction if providing such advice or opinions is contrary to the interests of any other party to the transaction.

SECTION 35. 452.133 (2) (intro.) of the statutes is amended to read:

452.133 (2) BROKER'S DUTIES TO A CLIENT. (intro.) ~~In addition to his or her the~~ <sup>broker</sup> ~~duties under sub. (1) (a) to (f) and (h), a broker providing brokerage services to his~~ <sup>A</sup> ~~or her client shall do all of the following the broker's client owes all of the following~~ <sup>plain</sup> ~~duties to the client:~~ <sup>plain text</sup> ~~duties~~ <sup>plain text</sup>

SECTION 36. 452.133 (2) (a) of the statutes is renumbered 452.133 (2) (a) (intro.)

amended to read:

owes the client the duties that the broker owes to a party under sub. (1) and to a customer under sub. (1m)(a) and

1           452.133 (2) (a) (intro.) ~~Loyally~~ The duty to loyally represent the client's  
2 interests by ~~placing and not to do any of the following:~~

3           1. Place the client's broker's interests ahead of the client's interests of any other  
4 party, unless loyalty to a client violates the broker's duties under sub. (1) or s. 452.137  
5 (2).

6           **SECTION 37.** 452.133 (2) (a) 2. of the statutes is created to read:

7           452.133 (2) (a) 2. Disclose to other parties in the transaction information or  
8 advice the disclosure of which is contrary to the client's interests, unless disclosure  
9 is required by law.

10          **SECTION 38.** 452.133 (2) (am) of the statutes is created to read:

11          452.133 (2) (am) The duty to provide, when requested by the client, advice and  
12 opinions to the client on matters that are material to a party's transaction and that  
13 are within the scope of the knowledge, skills, and training required for licensure as  
14 a broker or salesperson under this chapter. These matters include, but are not  
15 limited to, the real estate market and contractual, legal, and regulatory issues.

16          **SECTION 39.** 452.133 (2) (b) of the statutes is amended to read:

17          452.133 (2) (b) ~~Disclose~~ The duty to disclose to the client all information known  
18 by the broker that is material to the transaction and that is not known by the client  
19 or discoverable by the client through reasonably vigilant observation, except for  
20 confidential information under sub. (1) (d) and other information the disclosure of  
21 which is prohibited by law.

22          **SECTION 40.** 452.133 (2) (c) of the statutes is amended to read:

23          452.133 (2) (c) ~~Fulfill~~ The duty to fulfill any obligation required by the agency  
24 agreement, and any order of the client that is within the scope of the agency

1 agreement, that ~~are~~ is not inconsistent with another duty that the broker has under  
2 this chapter or any other law.

INS 9-7

3 SECTION 41. 452.133 (2) (d) of the statutes is created to read:

4 452.133 (2) (d) The duty to negotiate on behalf of the client.

A subagent owes all parties the duties specified in sub. (1) and

5 SECTION 42. 452.133 (4) of the statutes is created to read:

6 452.133 (4) SUBAGENT'S DUTIES. ~~In addition to the duties specified in sub. (1),~~

7 ~~a subagent~~ may not, ~~unless required by law,~~ provide advice or opinions to parties in  
8 the transaction if providing such advice or opinions is contrary to the interests of a  
9 client of the broker with whom the subagent has entered into a subagency  
10 agreement. <sup>unless required by law</sup>

11 SECTION 43. 452.133 (5) of the statutes is created to read:

12 452.133 (5) WAIVER OF DUTIES. The duties imposed by subs. (1), (2) (a), (b), and  
13 (c), and (4) may not be waived. A client may waive, in part or in full, the broker's  
14 duties under sub. (2) (am) and (d), except that a waiver under this subsection is not  
15 effective unless the broker provides to the client a written disclosure containing all  
16 of the following:

17 (a) If the client intends to waive the broker's duty under sub. (2) (am), a copy  
18 of the text of that subsection, and a statement that, as a consequence of the client's  
19 waiver, that broker will have no legal duty to perform the duty imposed by sub. (2)  
20 (am).

21 (b) If the client intends to waive the broker's duty under sub. (2) (d), a copy of  
22 the text of that subsection, and a statement that, as a consequence of the client's  
23 waiver, that broker will have no legal duty to perform the duty imposed by sub. (2)  
24 (d).

and ss. 452.01 (5m) and (5P) ✓

1 (c) An statement that as a consequence of the client's waiver, the client may  
2 require the assistance of an attorney or another service provider to assist the client  
3 to fulfill the client's transactional goals and contractual duties in the transaction.

4 SECTION 44. 452.137 (1) and 452.137 (2) of the statutes are consolidated,  
5 renumbered 452.137 (1m) and amended to read:

*who is providing plain text no striking*

6 452.137 (1m) No A broker may provide brokerage services to who has an  
7 agency agreement with more than one client in a transaction ~~without an agency~~  
8 ~~agreement under s. 452.135 (1) with each client and a written consent to multiple~~  
9 ~~representation. The consent to multiple representation shall contain a statement of~~  
10 ~~the broker's duties under s. 452.133 (1) to a party to the transaction who is not a~~  
11 ~~client, a statement of the broker's duties to the client under s. 452.133 (2), and a~~  
12 ~~statement that the clients understand the broker's duties and consent to the broker~~  
13 ~~providing brokerage services to more than one client. The consent to multiple~~  
14 ~~representation may contain additional disclosures by the broker or additional~~  
15 ~~agreements between the broker and the clients that do not violate any duty of a~~ *but*  
16 ~~broker under this chapter. (2) A broker who represents more than one client in a~~  
17 ~~transaction owes to each client the duties specified in s. 452.133 (2) to each client (1)~~  
18 (a) to (f), (h), and (2), except that if a salesperson employed by a broker is negotiating  
19 on behalf of more than one of the broker's clients in a transaction, the salesperson  
20 but may not place the interests of any client ahead of the interests of another client  
21 in the transaction during the negotiations.

22 SECTION 45. 452.138 of the statutes is amended to read:

23 452.138 **Brokers providing services in more than one transaction.** A  
24 broker may provide brokerage services simultaneously to more than one party in  
25 different transactions unless the broker agrees with a client that the broker is to

*or customer*

*client or customer*



*or customer*

1 provide brokerage services only to that client. If the broker and a client agree that  
2 the broker is to provide brokerage services only to that client, the agency agreement  
3 ~~under s. 452.135 (1)~~ shall contain a statement of that agreement.

4 **SECTION 46.** 452.139 (1) of the statutes is amended to read:

5 452.139 (1) ~~FIDUCIARY~~ COMMON LAW FIDUCIARY DUTIES OF BROKER. The duties of  
6 a broker specified in this chapter or in rules promulgated under this chapter shall  
7 supersede any ~~fiduciary duties of a broker to a party based on~~ duties or obligations  
8 under common law ~~principles of agency~~ to the extent that those common law  
9 ~~fiduciary~~ duties or obligations are inconsistent with the duties specified in this  
10 chapter or in rules promulgated under this chapter.

11 **SECTION 47. Initial applicability.**

12 (1) The treatment of section 452.133 of the statutes first applies to agency  
13 agreements entered into, modified, or renewed on the effective date of this  
14 subsection.

15 (2) The treatment of section 452.12 (3) of the statutes first applies to brokerage  
16 services provided on the effective date of this subsection.

17 (END)

INS  
11-11

dn

1 **Insert 2-8:**

2 **SECTION 1.** 452.01 (1p) of the statutes is created to read:

3 452.01 (1p) "Authorizing broker" means any of the following:

4 (a) The broker identified in the register under s. 452.12 (4) (b) as the broker on  
5 whose behalf a salesperson or broker is authorized to provide brokerage services. ✓

6 (b) The broker on whose behalf a time-share salesperson is registered under s.  
7 452.025 to provide brokerage services. ✓

8 **Insert 3-23:**

9 **SECTION 2.** 452.01 (4d) of the statutes is repealed.

10 **SECTION 3.** 452.01 (4h) of the statutes is repealed.

11 **SECTION 4.** 452.01 (4p) of the statutes is repealed.

12 **SECTION 5.** 452.01 (4t) of the statutes is repealed.

13 **Insert 4-4:**

14 **SECTION 6.** 452.01 (5m) (b) of the statutes is amended to read:

15 452.01 (5m) (b) Completing, when requested by a party customer or client, <sup>or</sup> customer

16 appropriate department-approved forms or other writings to document the party's

17 customer or client's proposal consistent with the party's customer or client's intent. ✓

History: 1981 c. 94; 1983 a. 27; 1985 a. 305; 1987 a. 359, 399; 1987 a. 403 s. 256; 1989 a. 341; 1991 a. 221; 1993 a. 127; 1995 a. 27, 400; 1997 a. 263; 2001 a. 102.

18 **SECTION 7.** 452.01 (5m) (c) of the statutes is amended to read:

19 452.01 (5m) (c) Presenting to a party customer or client the proposals of other  
20 parties to the transaction and informing the party customer or client receiving a  
21 proposal of the advantages and disadvantages of the proposal.

History: 1981 c. 94; 1983 a. 27; 1985 a. 305; 1987 a. 359, 399; 1987 a. 403 s. 256; 1989 a. 341; 1991 a. 221; 1993 a. 127; 1995 a. 27, 400; 1997 a. 263; 2001 a. 102.

22 **Insert 4-23:**



1 any person other than a <sup>plain</sup> broker or time-share salesperson who <sup>plain</sup> ~~is~~ employed by a  
 2 ~~broker to perform any act authorized by this chapter to be performed by a broker~~ <sup>is</sup>  
 3 authorized by a broker to provide brokerage services on the broker's behalf. ✓

4 **Insert 5-9:**

5 ~~SECTION 8.~~ 452.01 (9) of the statutes is amended to read:

6 452.01 (9) "Time-share salesperson" means a person, other than a person  
 7 licensed under s. 452.09, who is ~~employed by a licensed~~ registered under s. 452.025  
 8 and authorized by an authorizing broker to sell or offer or attempt to negotiate an  
 9 initial sale or purchase of a time share but who may not perform any other acts  
 10 authorized by this chapter to be performed by a broker or salesperson. ✓

11 History: 1981 c. 94; 1983 a. 27; 1985 a. 305; 1987 a. 359, 399; 1987 a. 403 s. 256; 1989 a. 341; 1991 a. 221; 1993 a. 127; 1995 a. 27, 400; 1997 a. 263; 2001 a. 102.

11 **Insert 5-15:**

12 ~~SECTION 9.~~ 452.025 (1) (b) 3. of the statutes is amended to read:

13 452.025 (1) (b) 3. Certification from the ~~licensed~~ authorizing broker ~~employing~~  
 14 ~~the applicant~~ that the applicant is competent to act as a time-share salesperson. ✓

15 History: 1987 a. 399; 1989 a. 31; 1991 a. 39.

15 ~~SECTION 10.~~ 452.025 (3) (a) of the statutes is amended to read:

16 452.025 (3) (a) A time-share salesperson registered under this section may act  
 17 as a time-share salesperson only ~~when employed by a licensed~~ to the extent  
 18 authorized by the authorizing broker. ✓

19 History: 1987 a. 399; 1989 a. 31; 1991 a. 39.

19 ~~SECTION 11.~~ 452.025 (3) (b) 2. g. of the statutes is amended to read:

20 452.025 (3) (b) 2. g. The signature of the time-share salesperson and the name  
 21 of the ~~employing~~ authorizing broker. ✓

22 History: 1987 a. 399; 1989 a. 31; 1991 a. 39.

22 ~~SECTION 12.~~ 452.025 (4) of the statutes is renumbered 452.025 (4) (a) and

23 amended to read:

1           452.025 (4) (a) A time-share salesperson registered under this section may  
2 apply at any time to transfer employment registration to another licensed  
3 authorizing broker by submitting to the department an application in the form  
4 prescribed by the department and the transfer fee specified in s. 440.05 (7).

History: 1987 a. 399; 1989 a. 31; ~~1991 a. 39.~~

5           ~~SECTION 13.~~ 452.025 (4) (b) of the statutes is created to read:

6           452.025 (4) (b) A time-share salesperson may not provide brokerage services  
7 on behalf of an authorizing broker while the authorizing broker's license is  
8 suspended or revoked. Notwithstanding par. (a), a time-share salesperson may not  
9 apply for transfer to another authorizing broker if the time-share salesperson is a  
10 party to the activities causing the suspension or revocation of the license of the  
11 authorizing broker.

12           ~~SECTION 14.~~ 452.035 of the statutes is created to read:

13           **452.035 Registration of salespersons and certain brokers.** (1) A  
14 salesperson may not provide brokerage services unless all of the following apply:

15           (a) The salesperson is authorized to provide the brokerage services on behalf of  
16 an authorizing broker.

17           (b) The salesperson has registered with the department. A salesperson shall  
18 submit, on a form approved by the department, the name and address of the  
19 authorizing broker.

20           (2) A broker may not provide brokerage services on behalf of another broker  
21 unless the broker has registered with the department. A broker who wishes to  
22 provide brokerage services for another broker shall submit, on a form approved by  
23 the department, the name and address of the authorizing broker.

1 (3) A salesperson or broker may not register to provide brokerage services on  
2 behalf of more than one broker. ✓

3 SECTION ~~15~~ 452.10 (4) of the statutes is renumbered 452.035 (4) and amended  
4 to read:

5 452.035 (4) (a) Any licensed salesperson or broker may transfer to the  
6 employment of a licensed another authorizing broker by first paying the transfer fee  
7 specified in s. 440.05 (7) and filing a transfer form with the department. ✓

8 (b) No salesperson, ~~time-share salesperson~~ or broker may be employed by a  
9 provide brokerage services on behalf of an authorizing broker ~~whose while the~~  
10 authorizing broker's license has been is suspended or revoked during the period of  
11 ~~suspension or revocation. The~~ Notwithstanding par. (a), a salesperson, ~~time-share~~  
12 ~~salesperson~~ or broker may not apply for transfer to ~~some other licensed~~ another  
13 authorizing broker by ~~complying with this chapter, provided if~~ the salesperson,  
14 ~~time-share salesperson~~ or broker is ~~not~~ a party to the activities causing the  
15 suspension or revocation of the license of the authorizing broker. ✓

16 History: 1981 c. 94, 314, 391; 1983 a. 27, 273; 1985 a. 305; 1987 a. 264, 399; 1989 a. 307; 1991 a. 39; 1995 a. 400.

**Insert 5-20:**

17 SECTION ~~16~~ 452.12 (4) (title) of the statutes is amended to read:

18 452.12 (4) (title) REGISTER REGISTERS OF BROKERS AND SALESPERSONS.

19 History: 1981 c. 94; 1983 a. 27; 1985 a. 305; 1987 a. 264, 399; 1989 a. 307, 341; 1991 a. 39; 1995 a. 27, 400; 1997 a. 27, 191, 237; 2001 a. 16.

20 SECTION ~~17~~ 452.12 (4) of the statutes is renumbered 452.12 (4) (a).

21 SECTION ~~18~~ 452.12 (4) (b) of the statutes is created to read:

22 452.12 (4) (b) The department shall maintain a register of all salespersons and  
23 brokers authorized to provide brokerage services on behalf of a broker. ✓ For each  
24 salesperson and broker, the register shall identify the name of the broker for which  
the salesperson or broker is authorized to provide brokerage services. ✓

1 **Insert 5-21:**

NOA  
1/16

2 (a) Subject to <sup>sub. (2)</sup> par. (b), a broker may provide brokerage services to a customer.

3 (b) A broker may not negotiate on behalf of a customer who is not a client of  
4 another broker with whom the broker has entered into a subagency agreement,  
5 unless all of the following apply: ✓

6 (a) ① Another party to the transaction is the broker's client or is the client of  
7 another broker with whom the broker has entered into a subagency agreement. ✓

8 (b) ② The broker has provided to the customer a copy of the disclosure required  
9 under s. 452.135.

10 **Insert 6-24:**

11 ~~SECTION 19.~~ 452.133 (1) (e) of the statutes is repealed. ✓

12 **Insert 7-11:**

13 ~~SECTION 20.~~ 452.133 (1m) of the statutes is created to read:

14 452.133 (1m) **BROKER'S DUTIES TO CUSTOMERS.** (a) A broker providing brokerage  
15 services to a customer owes the customer the duties that a broker owes to a party  
16 under sub. (1) and the duty to provide, when requested by a customer, accurate  
17 information about market conditions that affect the customer's transaction, within  
18 a reasonable time after the customer's request, unless disclosure of the information  
19 is prohibited by law. ✓

20 (b) If a broker is providing brokerage services to a customer in a transaction  
21 in which no party is the broker's client and no party is the client of another broker  
22 with whom the broker has entered into a subagency agreement, then all of the  
23 following apply: ✓

24 1. The broker owes all parties the duty not to place the broker's interests ahead  
25 of the interests of any party to the transaction.

1           2. The broker may not provide advice or opinions to any party, if providing such  
2 advice or opinions is contrary to the interests of the customer or any party. ✓

3           **Insert 9-7:**

4 do any of the following:

5 9 (a) Place the subagent's interests ahead of the interests of a client of a broker with  
6 whom the subagent has entered into a subagency agreement. ✓

7           (b)

8           **Insert 11-11:**

9           ~~SECTION 21.~~ 452.139 (2) (c) of the statutes is amended to read:

10           452.139 (2) (c) ~~Nothing in this subsection limits~~ This subsection does not limit  
11 the liability of a an authorizing broker under s. 452.12 (3) for misrepresentations  
12 made by an employee who is a broker. ~~Nothing in this subsection limits a broker~~  
13 providing brokerage services on the authorizing broker's behalf. This subsection  
14 does not limit the liability of a client for a misrepresentation that the client makes  
15 in connection with brokerage services. ✓

16 History: 1993 a. 127; 2001 a. 16.

17           ~~SECTION 22.~~ 452.14 (3) (f) of the statutes is amended to read:

18           452.14 (3) (f) Accepted from any person except ~~the broker's, salesperson's or~~  
19 ~~time-share salesperson's employer, if the broker, salesperson or time-share~~  
20 ~~salesperson is employed as a salesperson or time-share salesperson by a broker, an~~  
21 authorizing broker on whose behalf the licensee has provided brokerage services  
22 commission or valuable consideration as a salesperson or time-share salesperson for  
23 the performance of any act specified in this chapter for brokerage services provided  
by the licensee or as compensation for referring a person to another broker,

1     ~~salesperson or time share salesperson~~ licensee ✓ or to any other person in connection  
2     with a transaction;

3     History: 1981 c. 94, 391; 1983 a. 27 s. 2202 (44); 1983 a. 354; 1985 a. 305; 1987 a. 399; 1989 a. 307, 341, 359; 1991 a. 32, 163; 1993 a. 127; 1995 a. 400.

3     ~~SECTION 23.~~ 452.14 (3) (g) of the statutes is amended to read:

4             452.14 (3) (g) Represented or attempted to represent a broker other than the  
5     employer authorizing broker, without the express knowledge and consent of the  
6     employer authorizing broker; ✓

History: 1981 c. 94, 391; 1983 a. 27 s. 2202 (44); 1983 a. 354; 1985 a. 305; 1987 a. 399; 1989 a. 307, 341, 359; 1991 a. 32, 163; 1993 a. 127; 1995 a. 400.

d-n



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1387/P2ins

CTS:.....

Imk

(date)


Representative Wieckert:

This is a redraft of LRB-1387/P1 based on instructions from Rick Staff. Please review it carefully to ensure it is consistent with your intent, and note the following questions and comments:

1. In order to eliminate references to "employment" and "employee" from ch. 452, this version includes a requirement that salespersons and brokers who provide brokerage services on behalf of another broker register with the department the name of the broker on whose behalf the salesperson or broker will be providing brokerage services. The registration provision is based on current RL 17.03. In this draft, a subagent must register with the department under proposed s. 452.035(2) as a broker who is providing brokerage services on behalf of another broker. This draft also prohibits a subagent from registering to provide brokerage services on behalf of more than one broker. Is this your intent? Should the draft be changed so that a subagent is distinguished from a broker who is registered to provide brokerage services on behalf of another broker?
2. Regarding the duties a broker owes to all parties in a transaction under proposed s. 452.133 (1), some of these duties relate to the provision of brokerage services. By definition, a party who receives brokerage services in a transaction is either a broker's client or a broker's customer. In this draft, a broker owes the duties to provide brokerage services honestly and fairly (proposed s. 452.133 (1)(a)) and to provide brokerage services with reasonable skill and care (proposed s. 452.133 (1)(b)) to all parties to a transaction, not just the customer or client for whom the broker is providing brokerage services. Is this your intent?
3. Similarly, in this draft a broker's duty to preserve confidentiality (proposed s. 452.133 (1)(d)) applies to information the broker receives from or about a party who is not the broker's customer or client. Is this correct? Should a broker's duty to preserve confidentiality apply only to information received from a person to whom a broker is providing brokerage services?
4. Please note that I have moved the duty to provide accurate information about market conditions (proposed s. 452.133 (1)(e)) to the duties owed to a customer under subsection (1m). It appears that a broker can only fulfill this duty with respect to a customer or client, because the provision of such information amounts to a brokerage service under proposed s. 452.01 (2) (am). Is this okay?

5. The draft provides that a client may waive certain duties owed by brokers. ✓ Should a customer be permitted to waive any of the duties owed by the broker under proposed s. 452.133 (1m)? Note that in this version, the broker's duties to a customer is limited to the duty to provide information about market conditions under proposed s. 452.133 (1m) (a) 1.

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: christopher.sundberg@legis.state.wi.us



6. Should proposed s. 452.137 (1m), which involves brokers providing brokerage services to more than one client in a transaction, also apply to brokers providing brokerage services to more than one customer in a transaction, or to some combination of clients and customers?

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1387/P2dn  
CTS:lmk:ch

April 12, 2005

Representative Wieckert:

This is a redraft of LRB-1387/P1 based on instructions from Rick Staff. Please review it carefully to ensure it is consistent with your intent, and note the following questions and comments:

1. In order to eliminate references to "employment" and "employees" from ch. 452, this version includes a requirement that salespersons and brokers who provide brokerage services on behalf of another broker register with the department the name of the broker on whose behalf the salesperson or broker will be providing brokerage services. The registration provision is based on current RL 17.03. In this draft, a subagent must register with the department under proposed s. 452.035 (2) as a broker who is providing brokerage services on behalf of another broker. This draft also prohibits a subagent from registering to provide brokerage services on behalf of more than one broker. Is this your intent? Should the draft be changed so that a subagent is distinguished from a broker who is registered to provide brokerage services on behalf of another broker?
2. Regarding the duties a broker owes to all parties in a transaction under proposed s. 452.133 (1), some of these duties relate to the provision of brokerage services. By definition, a party who receives brokerage services in a transaction is either a broker's client or a broker's customer. In this draft, a broker owes the duties to provide brokerage services honestly and fairly (proposed s. 452.133 (1) (a)) and to provide brokerage services with reasonable skill and care (proposed s. 452.133 (1) (b)) to all parties to a transaction, not just the customer or client for whom the broker is providing brokerage services. Is this your intent?
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5. The draft provides that a client may waive certain duties owed by brokers. Should a customer be permitted to waive any of the duties owed by the broker under proposed s. 452.133 (1m)? Note that in this version, the broker's duties to a customer is limited to the duty to provide information about market conditions under proposed s. 452.133 (1m) (a).

6. Should proposed s. 452.137 (1m), which involves brokers providing brokerage services to more than one client in a transaction, also apply to brokers providing brokerage services to more than one customer in a transaction, or to some combination of clients and customers?

Christopher T. Sundberg  
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Ch. 452 changes: Redraft instructions  
\* undo the elimination of "employee"  
see memo from Rick Staff / WRA

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1387/P2dn  
CTS:lmk:ch

April 12, 2005

*Mark-up copy from Rick Staff*

Representative Wieckert:

This is a redraft of LRB-1387/P1 based on instructions from Rick Staff. Please review it carefully to ensure it is consistent with your intent, and note the following questions and comments:

1. In order to eliminate references to "employment" and "employees" from ch. 452, this version includes a requirement that salespersons and brokers who provide brokerage services on behalf of another broker register with the department the name of the broker on whose behalf the salesperson or broker will be providing brokerage services. The registration provision is based on current RL 17.03. In this draft, a subagent must register with the department under proposed s. 452.035 (2) as a broker who is providing brokerage services on behalf of another broker. This draft also prohibits a subagent from registering to provide brokerage services on behalf of more than one broker. Is this your intent? Should the draft be changed so that a subagent is distinguished from a broker who is registered to provide brokerage services on behalf of another broker?

2. Regarding the duties a broker owes to all parties in a transaction under proposed s. 452.133 (1), some of these duties relate to the provision of brokerage services. By definition, a party who receives brokerage services in a transaction is either a broker's client or a broker's customer. In this draft, a broker owes the duties to provide brokerage services honestly and fairly (proposed s. 452.133 (1) (a)) and to provide brokerage services with reasonable skill and care (proposed s. 452.133 (1) (b)) to all parties to a transaction, not just the customer or client for whom the broker is providing brokerage services. Is this your intent?

3. Similarly, in this draft a broker's duty to preserve confidentiality (proposed s. 452.133 (1) (d)) applies to information the broker receives from or about a party who is not the broker's customer or client. Is this correct? Should a broker's duty to preserve confidentiality apply only to information received from a person to whom a broker is providing brokerage services?

4. Please note that I have moved the duty to provide accurate information about market conditions (proposed s. 452.133 (1) (e)) to the duties owed to a customer under subsection (1m). It appears that a broker can only fulfill this duty with respect to a customer or client, because the provision of such information amounts to a brokerage service under proposed s. 452.01 (2) (am). Is this okay?

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6. Should proposed s. 452.137 (1m), which involves brokers providing brokerage services to more than one client in a transaction, also apply to brokers providing brokerage services to more than one customer in a transaction, or to some combination of clients and customers?

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## PRELIMINARY DRAFT – NOT READY FOR INTRODUCTION

1     **AN ACT** *to repeal* 452.01 (2) (d), 452.01 (2) (e), 452.01 (2) (f), 452.01 (2) (g), 452.01  
2     (4d), 452.01 (4h), 452.01 (4p), 452.01 (4t), 452.01 (5m) (d), 452.133 (1) (e) and  
3     452.133 (1) (g); *to renumber* 452.12 (4); *to renumber and amend* 452.025 (4),  
4     452.10 (4) and 452.133 (2) (a); *to consolidate, renumber and amend* 452.137  
5     (1) and 452.137 (2); *to amend* 452.01 (1m), 452.01 (2) (a), 452.01 (2) (b), 452.01  
6     (2) (h), 452.01 (3e), 452.01 (3m), 452.01 (5m) (intro), 452.01 (5m) (b), 452.01 (5m)  
7     (c), 452.01 (5r), 452.01 (7), 452.01 (9), 452.01 (10), 452.025 (1) (b) 3., 452.025 (3)  
8     (a), 452.025 (3) (b) 2. g., 452.12 (3), 452.12 (4) (title), 452.133 (1) (intro.), 452.133  
9     (1) (a), 452.133 (1) (b), 452.133 (1) (c), 452.133 (1) (d), 452.133 (1) (f), 452.133 (2)  
10    (intro.), 452.133 (2) (b), 452.133 (2) (c), 452.138, 452.139 (1), 452.139 (2) (c),  
11    452.14 (3) (f) and 452.14 (3) (g); and *to create* 452.01 (1p), 452.01 (2) (am),  
12    452.01 (2) (bm), 452.01 (5m) (e), 452.01 (5p), 452.01 (7g), 452.01 (7r), 452.025  
13    (4) (b), 452.035, 452.12 (4) (b), 452.132, 452.133 (1m), 452.133 (2) (a) 2., 452.133



1 (2) (am), 452.133 (2) (d), 452.133 (4) and 452.133 (5) of the statutes; **relating**  
2 **to:** duties of real estate brokers and salespersons.

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***Analysis by the Legislative Reference Bureau***

This is a preliminary draft. An analysis will be provided in a later version.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

3 **SECTION 1.** 452.01 (1m) of the statutes is amended to read:

4 452.01 (1m) "Agency agreement" means a written agreement between a broker  
5 and a client ~~under s. 452.135 (1) that authorizes the broker to provide brokerage~~  
6 ~~services to the client and that discloses the terms and conditions under which the~~  
7 ~~broker will provide those services.~~ *to broker*

8 **SECTION 2.** 452.01 (1p) of the statutes is created to read:

9 452.01 (1p) "~~Relate to function~~ *Relate to function* "Authorizing broker" means any of the following:  
*company?*

10 (a) The broker identified in the register under s. 452.12 (4) (b) as the broker on  
11 whose behalf a salesperson or broker is authorized to provide brokerage services.

12 (b) The broker on whose behalf a time-share salesperson is registered under  
13 s. 452.025 to provide brokerage services.

14 **SECTION 3.** 452.01 (2) (a) of the statutes is amended to read:

15 452.01 (2) (a) For ~~another~~ a client or customer, and for commission, money, or  
16 other thing of value, negotiates or offers or attempts to negotiate a sale, exchange  
17 ~~purchase, or rental of an interest or estate in real estate~~ transaction.

18 **SECTION 4.** 452.01 (2) (am) of the statutes is created to read:

19 452.01 (2) (am) For a client or customer, and for commission, money, or other  
20 thing of value, provides information and advice on matters that are material to the

1 client's or customer's transaction and that are within the scope of the knowledge,  
2 skills, and training required under s. 452.09 (2) (a) and (3) (a).

3 SECTION 5. 452.01 (2) (b) of the statutes is amended to read:

4 452.01 (2) (b) Is engaged wholly or in part in the business of selling or  
5 exchanging interests or estates in real estate; time shares; or businesses or their  
6 goodwill, inventory, or fixtures to the extent that a pattern of real-estate sales or  
7 exchanges is established, ~~whether or not such real estate is owned by such person.~~  
8 Five sales or exchanges in one year or 10 sales or exchanges in 5 years is presumptive  
9 evidence of a pattern of sales or exchanges.

10 SECTION 6. 452.01 (2) (bm) of the statutes is created to read:

11 452.01 (2) (bm) For a client or customer, and for commission, money, or other  
12 thing of value, shows a client or customer real estate or a time share. *define or keep as subset of sec*

13 SECTION 7. 452.01 (2) (d) of the statutes is repealed.

14 SECTION 8. 452.01 (2) (e) of the statutes is repealed.

15 SECTION 9. 452.01 (2) (f) of the statutes is repealed.

16 SECTION 10. 452.01 (2) (g) of the statutes is repealed.

17 SECTION 11. 452.01 (2) (h) of the statutes is amended to read:

18 452.01 (2) (h) For ~~another a client or customer,~~ and for ~~a~~ commission, money,  
19 or other thing of value, promotes the ~~sale, exchange, purchase, option, rental or~~  
20 ~~leasing of real estate or business opportunities~~ a transaction. This paragraph does  
21 not apply to a person who only publishes or disseminates verbatim information  
22 provided by another person. *should be the end transaction, not actions leading up to the transaction*

23 SECTION 12. 452.01 (3e) of the statutes is amended to read:

24 452.01 (3e) "Brokerage service" means any service described under sub. (2) (a)  
25 ~~to (h)~~ provided by a broker to ~~another person~~ a client or customer. *actions - doesn't work*

*NO too broad - wiping counters?  
See § 37 !!*

1           **SECTION 13.** 452.01 (3m) of the statutes is amended to read:

2           452.01 **(3m)** “Client” means a party to a transaction who has entered into an  
3 agency agreement with a broker for brokerage services.

4           **SECTION 14.** 452.01 (4d) of the statutes is repealed.

5           **SECTION 15.** 452.01 (4h) of the statutes is repealed.

6           **SECTION 16.** 452.01 (4p) of the statutes is repealed.

7           **SECTION 17.** 452.01 (4t) of the statutes is repealed.

8           **SECTION 18.** 452.01 (5m) (intro) of the statutes is amended to read:

9           452.01 **(5m)** (intro) “Negotiate” means to ~~act as an intermediary between the~~  
10 ~~parties to a transaction~~ provide to a client or customer assistance within the scope  
11 of the knowledge, skills, and training required under s. 452.09 (2) (a) and (3) (a) in  
12 developing a proposal or agreement relating to a transaction, including doing any of  
13 the following:

14           **SECTION 19.** 452.01 (5m) (b) of the statutes is amended to read:

15           452.01 **(5m)** (b) Completing, when requested by a party client or customer,  
16 appropriate department-approved forms or other writings to document the party’s  
17 client’s or customer’s proposal consistent with the party’s client’s or customer’s  
18 intent.

19           **SECTION 20.** 452.01 (5m) (c) of the statutes is amended to read:

20           452.01 **(5m)** (c) Presenting to a party client or customer the proposals of other  
21 parties to the transaction and ~~informing the party receiving a proposal of the~~  
22 ~~advantages and disadvantages~~ giving the client or customer a general explanation  
23 of the provisions of the proposal.

24           **SECTION 21.** 452.01 (5m) (d) of the statutes is repealed.

25           **SECTION 22.** 452.01 (5m) (e) of the statutes is created to read:

1 452.01 (5m) (e) Acting as an intermediary to facilitate or participate in  
2 communications between a client or customer and another party related to the  
3 client's or customer's interests in a transaction. *Reorder last two*

4 SECTION 23. 452.01 (5p) of the statutes is created to read:

5 452.01 (5p) "Negotiate" does not include providing to a client or customer  
6 advice or opinions that relate to real estate or showing real estate or a time share to  
7 a client or customer. *no can include - See instruction language*

8 SECTION 24. 452.01 (5r) of the statutes is amended to read:

9 452.01 (5r) "Party" means a person seeking to sell, exchange, buy or rent an  
10 interest in real estate, a business or a business opportunity. "Party" includes a  
11 person who seeks to grant or accept an option to buy, sell or rent an interest in real  
12 estate, a business or a business opportunity engage in a transaction. *seek to engage in actions?*

13 SECTION 25. 452.01 (7) of the statutes is amended to read:

14 452.01 (7) "Salesperson" means any person other than a broker or time-share  
15 salesperson who is employed by a broker to perform any act authorized by this  
16 chapter to be performed by a broker authorized by a broker to provide brokerage  
17 services on the broker's behalf. *licenses other than t.s. Relate to registry - all*

18 SECTION 26. 452.01 (7g) of the statutes is created to read:

19 452.01 (7g) "Subagency agreement" means a written agreement between a  
20 broker and a subagent that authorizes the subagent to provide brokerage services  
21 in a transaction on behalf of the broker within the scope of the agency agreement  
22 between the broker and the broker's client. *Use ordinary meaning indistinguishable from subagent*

23 SECTION 27. 452.01 (7r) of the statutes is created to read:

24 452.01 (7r) "Subagent" means a broker who has entered into a subagency  
25 agreement with another broker.

1           **SECTION 28.** 452.01 (9) of the statutes is amended to read:

2           452.01 (9) "Time-share salesperson" means a person, other than a person  
3 licensed under s. 452.09, who is ~~employed by a licensed~~ registered under s. 452.025  
4 and authorized by an authorizing broker to sell or offer or attempt to negotiate an  
5 initial sale or purchase of a time share but who may not perform any other acts  
6 authorized by this chapter to be performed by a broker or salesperson.

7           **SECTION 29.** 452.01 (10) of the statutes is amended to read:

8           452.01 (10) "Transaction" means actions, including negotiations, intended to  
9 result in the sale, exchange, purchase, or rental of, or the granting or acceptance of  
10 an option to sell, exchange, purchase, or rent, an interest in real estate, a timeshare,  
11 or a business or ~~a business opportunity~~ its goodwill, inventory, or fixtures, whether  
12 or not the business includes real estate.

13           **SECTION 30.** 452.025 (1) (b) 3. of the statutes is amended to read:

14           452.025 (1) (b) 3. Certification from the ~~licensed~~ authorizing broker employing  
15 ~~the applicant~~ that the applicant is competent to act as a time-share salesperson.

16           **SECTION 31.** 452.025 (3) (a) of the statutes is amended to read:

17           452.025 (3) (a) A time-share salesperson registered under this section may act  
18 as a time-share salesperson only ~~when employed by a licensed~~ to the extent  
19 authorized by the authorizing broker.

20           **SECTION 32.** 452.025 (3) (b) 2. g. of the statutes is amended to read:

21           452.025 (3) (b) 2. g. The signature of the time-share salesperson and the name  
22 of the ~~employing~~ authorizing broker.

23           **SECTION 33.** 452.025 (4) of the statutes is renumbered 452.025 (4) (a) and  
24 amended to read:

1           452.025 (4) (a) A time-share salesperson registered under this section may  
2 apply at any time to transfer ~~employment~~ registration to another licensed  
3 authorizing broker by submitting to the department an application in the form  
4 prescribed by the department and the transfer fee specified in s. 440.05 (7).

5           **SECTION 34.** 452.025 (4) (b) of the statutes is created to read:

6           452.025 (4) (b) A time-share salesperson may not provide brokerage services  
7 on behalf of an authorizing broker while the authorizing broker's license is  
8 suspended or revoked. Notwithstanding par. (a), a time-share salesperson may not  
9 apply for transfer to another authorizing broker if the time-share salesperson is a  
10 party to the activities causing the suspension or revocation of the license of the  
11 authorizing broker.

12           **SECTION 35.** 452.035 of the statutes is created to read:

13           **452.035 Registration of salespersons and certain brokers. (1)** A  
14 salesperson may not provide brokerage services unless all of the following apply:

15           (a) The salesperson is authorized to provide the brokerage services on behalf  
16 of an authorizing broker.

17           (b) The salesperson has registered with the department. A salesperson shall  
18 submit, on a form approved by the department, the name and address of the  
19 authorizing broker.

20           **(2)** A broker may not provide brokerage services on behalf of another broker  
21 unless the broker has registered with the department. A broker who wishes to  
22 provide brokerage services for another broker shall submit, on a form approved by  
23 the department, the name and address of the authorizing broker.

24           **(3)** A salesperson or broker may not register to provide brokerage services on  
25 behalf of more than one broker.

1           **SECTION 36.** 452.10 (4) of the statutes is renumbered 452.035 (4) and amended  
2 to read:

3           452.035 (4) (a) Any licensed salesperson or broker may transfer to the  
4 employment of a licensed another authorizing broker by first paying the transfer fee  
5 specified in s. 440.05 (7) and filing a transfer form with the department.

6           (b) No salesperson, ~~time-share salesperson~~ or broker may be employed by a  
7 provide brokerage services on behalf of an authorizing broker whose while the  
8 authorizing broker's license has been is suspended or revoked during the period of  
9 suspension or revocation. ~~The. Notwithstanding par. (a),~~ a salesperson, ~~time-share~~  
10 salesperson or broker may not apply for transfer to some other licensed another  
11 authorizing broker by ~~complying with this chapter, provided if~~ the salesperson,  
12 ~~time-share salesperson~~ or broker is ~~not~~ a party to the activities causing the  
13 suspension or revocation of the license of the authorizing broker.

14           **SECTION 37.** 452.12 (3) of the statutes is amended to read:

15           452.12 (3) ~~BROKER'S VICARIOUS LIABILITY FOR ACTS OF EMPLOYEES.~~ Each broker  
16 shall supervise, and is responsible for, the acts of, brokerage services provided on  
17 behalf of the broker by any broker, salesperson, or time-share salesperson ~~employed~~  
18 by authorized by the broker to provide brokerage services on behalf of the broker.

19           **SECTION 38.** 452.12 (4) (title) of the statutes is amended to read:

20           452.12 (4) (title) ~~REGISTER~~ REGISTERS OF BROKERS AND SALESPERSONS.

21           **SECTION 39.** 452.12 (4) of the statutes is renumbered 452.12 (4) (a).

22           **SECTION 40.** 452.12 (4) (b) of the statutes is created to read:

23           452.12 (4) (b) The department shall maintain a register of all salespersons and  
24 brokers authorized to provide brokerage services on behalf of a broker. For each

1 salesperson and broker, the register shall identify the name of the broker for which  
2 the salesperson or broker is authorized to provide brokerage services.

3 SECTION 41. 452.132 of the statutes is created to read:

4 452.132 Brokerage services; customers. (1) Subject to sub. (2), a broker  
5 may provide brokerage services to a customer. — *Noneed*

6 (2) A broker may not negotiate on behalf of a customer who is not a client of  
7 another broker with whom the broker has entered into a subagency agreement,  
8 unless all of the following apply:

*In necessary way to complete see draft instructions*

9 (a) Another party to the transaction is the broker's client or is the client of  
10 another broker with whom the broker has entered into a subagency agreement.

11 (b) The broker has provided to the customer a copy of the disclosure required  
12 under s. 452.135.

13 SECTION 42. 452.133 (1) (intro.) of the statutes is amended to read:

14 452.133 (1) BROKER'S DUTIES TO ALL PARTIES TO A TRANSACTION. (intro.) In A  
15 broker who is providing brokerage services to a party to client or customer in a  
16 transaction, a broker shall do all of the following owes all of the following duties to  
17 the other parties to the transaction:

18 SECTION 43. 452.133 (1) (a) of the statutes is amended to read:

19 452.133 (1) (a) Provide The duty to provide brokerage services ~~to all parties to~~  
20 ~~the transaction~~ honestly, and fairly ~~and in good faith~~.

21 SECTION 44. 452.133 (1) (b) of the statutes is amended to read:

22 452.133 (1) (b) ~~Diligently exercise~~ The duty to provide brokerage services with  
23 reasonable skill and care ~~in providing brokerage services to all parties~~.

24 SECTION 45. 452.133 (1) (c) of the statutes is amended to read:



1           452.133 (1) (c) ~~Disclose to each party~~ The duty to disclose all material adverse  
 2 facts that the broker knows and that ~~the~~ a party does not know or cannot discover  
 3 through reasonably vigilant observation, unless the disclosure of a material adverse  
 4 fact is prohibited by law.

5           **SECTION 46.** 452.133 (1) (d) of the statutes is amended to read:

6           452.133 (1) (d) ~~Keep~~ The duty to keep confidential any information given to the  
 7 broker in confidence, or any information obtained by the broker that he or she knows  
 8 a reasonable party would want to be kept confidential, unless the information must  
 9 be disclosed ~~under par. (c) or s. 452.23 or is otherwise required by law to be disclosed~~  
 10 or the party whose interests may be adversely affected by the disclosure specifically  
 11 authorizes the disclosure of particular ~~confidential~~ information. A broker shall  
 12 continue to keep the information confidential after the transaction is complete and  
 13 after the broker is no longer providing brokerage services to ~~the~~ a party in the  
 14 transaction.

15           **SECTION 47.** 452.133 (1) (e) of the statutes is repealed.

16           **SECTION 48.** 452.133 (1) (f) of the statutes is amended to read:

17           452.133 (1) (f) ~~Account for all~~ The duty to safeguard trust funds and other  
 18 property coming into the possession of a ~~held by the broker that belongs to any party~~  
 19 within a reasonable time of receiving the property as required by rules promulgated  
 20 by the department under s. 452.13 (5).

21           **SECTION 49.** 452.133 (1) (g) of the statutes is repealed.

22           **SECTION 50.** 452.133 (1m) of the statutes is created to read:

23           452.133 (1m) **BROKER'S DUTIES TO CUSTOMERS.** (a) <sup>- all parties</sup> A broker providing brokerage  
 24 services to a customer owes the customer the duties that a broker owes to a party  
 25 under sub. (1) and the duty to provide, when requested by a customer, accurate

*No one why this has been created?*

1 information about market conditions that affect the customer's transaction, within  
2 a reasonable time after the customer's request, unless disclosure of the information  
3 is prohibited by law.

*non-agency? separate subsec.*

4 (b) If a broker is providing brokerage services to a customer in a transaction  
5 in which no party is the broker's client and no party is the client of another broker  
6 with whom the broker has entered into a subagency agreement, then all of the  
7 following apply:

8 1. The broker owes all parties the duty not to place the broker's interests ahead  
9 of the interests of any party to the transaction.

10 2. The broker may not provide advice or opinions to any party, if providing such  
11 advice or opinions is contrary to the interests of the customer or any party.

12 SECTION 51. 452.133 (2) (intro.) of the statutes is amended to read:

13 452.133 (2) BROKER'S DUTIES TO A CLIENT. (intro.) ~~In addition to his or her duties~~  
14 ~~under sub. (1), a~~ A broker providing brokerage services to his or her client shall do  
15 owes the client the duties that the broker owes to a party under sub. (1) and to a  
16 customer under sub. (1m) (a) and all of the following duties:

17 SECTION 52. 452.133 (2) (a) of the statutes is renumbered 452.133 (2) (a) (intro.)  
18 amended to read:

19

20 452.133 (2) (a) (intro.) ~~Loyally~~ The duty to loyally represent the client's  
21 ~~interests by placing and not to do any of the following:~~

*Don't want  
general def.  
want stat.  
def!*

21 1. Place the client's broker's interests ahead of the client's interests of any other  
22 party, ~~unless loyalty to a client violates the broker's duties under sub. (1) or s. 452.137~~

23 (2).

24 SECTION 53. 452.133 (2) (a) 2. of the statutes is created to read:

1 452.133 (2) (a) 2. Disclose to other parties in the transaction information or  
2 advice the disclosure of which is contrary to the client's interests, unless disclosure  
3 is required by law.

4 **SECTION 54.** 452.133 (2) (am) of the statutes is created to read:

5 452.133 (2) (am) ~~The duty to provide, when requested by the client, advice and~~  
6 ~~opinions to the client on matters that are material to the client's transaction and that~~  
7 ~~are within the scope of the knowledge, skills, and training required under s. 452.09~~  
8 (2) (a) and (3) (a). These matters include the real estate market and contractual,  
9 legal, and regulatory issues.

10 **SECTION 55.** 452.133 (2) (b) of the statutes is amended to read:

11 452.133 (2) (b) ~~Disclose~~ The duty to disclose to the client all information known  
12 by the broker that is material to the transaction and that is not known by the client  
13 or discoverable by the client through reasonably vigilant observation, except for  
14 confidential information under sub. (1) (d) and other information the disclosure of  
15 which is prohibited by law.

16 **SECTION 56.** 452.133 (2) (c) of the statutes is amended to read:

17 452.133 (2) (c) ~~Fulfill~~ The duty to fulfill any obligation required by the agency  
18 agreement, and any order of the client that is within the scope of the agency  
19 agreement, that ~~are~~ is not inconsistent with another duty that the broker has under  
20 this chapter or any other law.

21 **SECTION 57.** 452.133 (2) (d) of the statutes is created to read:

22 452.133 (2) (d) The duty to negotiate on behalf of the client.

23 **SECTION 58.** 452.133 (4) of the statutes is created to read:

24 452.133 (4) SUBAGENT'S DUTIES. A subagent owes all parties the duties specified  
25 in sub. (1) and may not do any of the following:

*Why drop?*

1 (a) Place the subagent's interests ahead of the interests of a client of a broker  
2 with whom the subagent has entered into a subagency agreement.

*Transaction?*  
*9*

3 (b) Provide advice or opinions to parties in the transaction if providing such  
4 advice or opinions is contrary to the interests of a client of the broker with whom the  
5 subagent has entered into a subagency agreement, unless required by law.

6 SECTION 59. 452.133 (5) of the statutes is created to read:

7 452.133 (5) WAIVER OF DUTIES. The duties imposed by subs. (1), (2) (a), (b), and  
8 (c), and (4) may not be waived. A client may waive, in part or in full, the broker's  
9 duties under sub. (2) (am) and (d), except that a waiver under this subsection is not  
10 effective unless the broker provides to the client a written disclosure containing all  
11 of the following:

12 (a) If the client intends to waive the broker's duty under sub. (2) (am), a copy  
13 of the text of that subsection, and a statement that, as a consequence of the client's  
14 waiver, that broker will have no legal duty to perform the duty imposed by sub. (2)  
15 (am).

16 (b) If the client intends to waive the broker's duty under sub. (2) (d), a copy of  
17 the text of that subsection and s. 452.01 (5m) and (5p), and a statement that, as a  
18 consequence of the client's waiver, that broker will have no legal duty to perform the  
19 duty imposed by sub. (2) (d).

20 (c) An statement that as a consequence of the client's waiver, the client may  
21 require the assistance of an attorney or another service provider to assist the client  
22 to fulfill the client's goals and contractual duties in the transaction.

23 SECTION 60. 452.137 (1) and (2) of the statutes are consolidated, renumbered  
24 452.137 (1m) and amended to read:

1           452.137 (1m) ~~No A broker may provide who is providing~~ brokerage services to  
2 more than one client in a transaction ~~without an agency agreement under s. 452.135~~  
3 ~~(1) with each client and a written consent to multiple representation. The consent~~  
4 ~~to multiple representation shall contain a statement of the broker's duties under s.~~  
5 ~~452.133 (1) to a party to the transaction who is not a client, a statement of the broker's~~  
6 ~~duties to the client under s. 452.133 (2), and a statement that the clients understand~~  
7 ~~the broker's duties and consent to the broker providing brokerage services to more~~  
8 ~~than one client. The consent to multiple representation may contain additional~~  
9 ~~disclosures by the broker or additional agreements between the broker and the~~  
10 ~~clients that do not violate any duty of a broker under this chapter. (2) A broker who~~  
11 ~~represents more than one client in a transaction owes to each client the duties~~  
12 ~~specified in s. 452.133 (2) to each client but (1) and (2), except that if a salesperson~~  
13 ~~employed by a broker is negotiating on behalf of more than one of the broker's clients~~  
14 ~~in a transaction, the salesperson may not place the interests of any client ahead of~~  
15 ~~the interests of another client in the transaction during the negotiations.~~

16           **SECTION 61.** 452.138 of the statutes is amended to read:

17           **452.138 Brokers providing services in more than one transaction.** A  
18 broker may provide brokerage services simultaneously to more than one party client  
19 ~~or customer~~ *no loyalty no need to address!* in different transactions unless the broker agrees with a client or  
20 ~~customer~~ that the broker is to provide brokerage services only to that client or  
21 customer. If the broker and a client agree that the broker is to provide brokerage  
22 services only to that client, the agency agreement ~~under s. 452.135 (1)~~ shall contain  
23 a statement of that agreement.

24           **SECTION 62.** 452.139 (1) of the statutes is amended to read:

1           452.139 (1) ~~FIDUCIARY~~ COMMON LAW FIDUCIARY DUTIES OF BROKER. The duties of  
 2 a broker specified in this chapter or in rules promulgated under this chapter shall  
 3 supersede ~~any fiduciary duties of a broker to a party based on~~ duties or obligations  
 4 under common law ~~principles of agency~~ to the extent that those common law  
 5 ~~fiduciary duties or obligations~~ are inconsistent with the duties specified in this  
 6 chapter or in rules promulgated under this chapter.

7           **SECTION 63.** 452.139 (2) (c) of the statutes is amended to read:

8           452.139 (2) (c) ~~Nothing in this subsection limits~~ This subsection does not limit  
 9 the liability of ~~a~~ an authorizing broker under s. 452.12 (3) for misrepresentations  
 10 made by an employee who is a broker. ~~Nothing in this subsection limits a broker~~  
 11 providing brokerage services on the authorizing broker's behalf. This subsection  
 12 does not limit the liability of a client for a misrepresentation that the client makes  
 13 in connection with brokerage services.

14           **SECTION 64.** 452.14 (3) (f) of the statutes is amended to read:

15           452.14 (3) (f) Accepted from any person except ~~the broker's, salesperson's or~~  
 16 ~~time-share salesperson's employer, if the broker, salesperson or time-share~~  
 17 ~~salesperson is employed as a salesperson or time-share salesperson by a broker, an~~  
 18 authorizing broker on whose behalf the licensee has provided brokerage services a  
 19 ~~commission or valuable consideration as a salesperson or time-share salesperson for~~  
 20 ~~the performance of any act specified in this chapter~~ for brokerage services provided  
 21 by the licensee or as compensation for referring a person to another ~~broker,~~  
 22 ~~salesperson or time-share salesperson~~ licensee or to any other person in connection  
 23 with a transaction;

24           **SECTION 65.** 452.14 (3) (g) of the statutes is amended to read:

*too broad - registry authorizing broker*

