

BROKER DISCLOSURE TO CLIENTS

1 NOTE: THE DISCLOSURES CONCERNING AGENCY RELATIONSHIPS THAT A BROKER MUST GIVE TO A CLIENT WERE RE-
2 VISED BY 2005 WIS. ACT 87. THIS DISCLOSURE DOCUMENT REFLECTS THE LAW IN EFFECT BEGINNING 7-1-06.

3 **UNDER WISCONSIN LAW, A BROKER OWES CERTAIN DUTIES TO ALL PARTIES TO A TRANSACTION:**

- 4 ■ The duty to provide brokerage services to you fairly and honestly.
- 5 ■ The duty to exercise reasonable skill and care in providing brokerage services to you.
- 6 ■ The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless
7 disclosure of the information is prohibited by law.
- 8 ■ The duty to disclose to you in writing certain material adverse facts about a property, unless disclosure of the information is
9 prohibited by law. **(See Lines 28-37)**
- 10 ■ The duty to protect your confidentiality. Unless the law requires it, the broker will not disclose your confidential information or the
11 confidential information of other parties. **(See Lines 71-89)**
- 12 ■ The duty to safeguard trust funds and other property the broker holds.
- 13 ■ The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages and
14 disadvantages of the proposals.

15 **BECAUSE YOU HAVE ENTERED INTO AN AGENCY AGREEMENT WITH A BROKER, YOU ARE THE BROKER'S CLIENT. A**
16 **BROKER OWES ADDITIONAL DUTIES TO A CLIENT.**

- 17 ■ The broker will provide, at your request, information and advice on real estate matters that affect your transaction, unless you
18 release the broker from this duty.
 - 19 ■ The broker must provide you with all material facts affecting the transaction, not just adverse facts.
 - 20 ■ The broker will fulfill the broker's obligations under the agency agreement and fulfill your lawful requests that are within the scope
21 of the agency agreement.
 - 22 ■ The broker will negotiate for you, unless you release the broker from this duty.
 - 23 ■ The broker will not place the broker's interests ahead of your interests. The broker will not, unless required by law, give
24 information or advice to other parties who are not the broker's clients, if giving the information or advice is contrary to your
25 interests.
- 26 If you become involved in a transaction in which another party is also the broker's client (a "multiple representation relationship"),
27 different duties may apply.

28 **DEFINITION OF MATERIAL ADVERSE FACTS**

29 A "material adverse fact" is defined in Wis. Stat. § 452.01(5g) as an adverse fact that a party indicates is of such significance, or
30 that is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would
31 affect the party's decision to enter into a contract or agreement concerning a transaction or affects or would affect the party's
32 decision about the terms of such a contract or agreement.

33 An "adverse fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee generally
34 recognizes will significantly and adversely affect the value of the property, significantly reduce the structural integrity of
35 improvements to real estate, or present a significant health risk to occupants of the property; or information that indicates that a party
36 to a transaction is not able to or does not intend to meet his or her obligations under a contract or agreement made concerning the
37 transaction.

38 **MULTIPLE REPRESENTATION RELATIONSHIPS AND DESIGNATED AGENCY**

39 A multiple representation relationship exists if a broker has an agency agreement with more than one client who is a party in the
40 same transaction. In a multiple representation relationship, if all of the broker's clients in the transaction consent, the broker may
41 provide services to the clients through designated agency.

42 Designated agency means that different salespersons employed by the broker will negotiate on behalf of you and the other
43 client or clients in the transaction, and the broker's duties will remain the same. Each salesperson will provide information, opinions,
44 and advice to the client for whom the salesperson is negotiating, to assist the client in the negotiations. Each client will be able to
45 receive information, opinions, and advice that will assist the client, even if the information, opinions, or advice gives the client
46 advantages in the negotiations over the broker's other clients. A salesperson will not reveal any of your confidential information to
47 another party unless required to do so by law.

48 If a designated agency relationship is not in effect you may authorize or reject a multiple representation relationship. If you
49 authorize a multiple representation relationship the broker may provide brokerage services to more than one client in a transaction
50 but neither the broker nor any of the broker's salespersons may assist any client with information, opinions, and advice which may
51 favor the interests of one client over any other client. If you do not consent to a multiple representation relationship the broker will not
52 be allowed to provide brokerage services to more than one client in the transaction.

53 **INITIAL ONLY ONE OF THE THREE LINES BELOW:**

- 54 _____ I consent to *multiple representation relationships with* designated agency.
- 55 _____ I consent to multiple representation relationships, but I do not consent to designated agency.
- 56 _____ I reject multiple representation relationships.

57 **NOTE: YOU MAY WITHDRAW YOUR CONSENT TO DESIGNATED AGENCY OR TO MULTIPLE REPRESENTATION**
 58 **RELATIONSHIPS BY WRITTEN NOTICE TO THE BROKER AT ANY TIME. YOUR BROKER IS REQUIRED TO DISCLOSE TO**
 59 **YOU IN YOUR AGENCY AGREEMENT THE COMMISSION OR FEES THAT YOU MAY OWE TO YOUR BROKER. IF YOU HAVE**
 60 **ANY QUESTIONS ABOUT THE COMMISSION OR FEES THAT YOU MAY OWE BASED UPON THE TYPE OF AGENCY**
 61 **RELATIONSHIP YOU SELECT WITH YOUR BROKER YOU SHOULD ASK YOUR BROKER BEFORE SIGNING THE AGENCY**
 62 **AGREEMENT.**

63 **SUBAGENCY**

64 The broker may, with your authorization in the agency agreement, engage other brokers who assist your broker by providing
 65 brokerage services for your benefit. A subagent will not put the subagent's own interests ahead of your interests.
 66 A subagent will not, unless required by law, provide advice or opinions to other parties if doing so is contrary to your interests.

67 Please review this information carefully. A broker or salesperson can answer your questions about brokerage services, but if you
 68 need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home inspector.

69 This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a plain-language
 70 summary of a broker's duties to you under section 452.133 of the Wisconsin statutes.

71 **CONFIDENTIALITY NOTICE TO CLIENTS**

72 BROKER WILL KEEP CONFIDENTIAL ANY INFORMATION GIVEN TO BROKER IN CONFIDENCE, OR ANY INFORMATION
 73 OBTAINED BY BROKER THAT HE OR SHE KNOWS A REASONABLE PERSON WOULD WANT TO BE KEPT CONFIDENTIAL,
 74 UNLESS THE INFORMATION MUST BE DISCLOSED BY LAW OR YOU AUTHORIZE THE BROKER TO DISCLOSE PARTICULAR
 75 INFORMATION. A BROKER SHALL CONTINUE TO KEEP THE INFORMATION CONFIDENTIAL AFTER THE BROKER IS NO
 76 LONGER PROVIDING BROKERAGE SERVICES TO YOU.

77 THE FOLLOWING INFORMATION IS REQUIRED TO BE DISCLOSED BY LAW:

- 78 1. MATERIAL ADVERSE FACTS, AS DEFINED IN SECTION 452.01 (5g) OF THE WISCONSIN STATUTES **(SEE LINES 28-37).**
- 79 2. ANY FACTS KNOWN BY THE BROKER THAT CONTRADICT ANY INFORMATION INCLUDED IN A WRITTEN INSPECTION
 80 REPORT ON THE PROPERTY OR REAL ESTATE THAT IS THE SUBJECT OF THE TRANSACTION.

81 TO ENSURE THAT THE BROKER IS AWARE OF WHAT SPECIFIC INFORMATION YOU CONSIDER CONFIDENTIAL, YOU MAY
 82 LIST THAT INFORMATION BELOW **(SEE LINES 84-86)**. AT A LATER TIME, YOU MAY ALSO PROVIDE THE BROKER WITH
 83 OTHER INFORMATION YOU CONSIDER TO BE CONFIDENTIAL.

84 **CONFIDENTIAL INFORMATION:** _____
 85 _____
 86 _____

87 **NON-CONFIDENTIAL INFORMATION** (The following may be disclosed by Broker): _____
 88 _____
 89 _____

90 **CONSENT TO TELEPHONE SOLICITATION**

91 I/We agree that the Broker and any affiliated settlement service providers (for example, a mortgage company or title company) may
 92 call our/my home or cell phone numbers regarding issues, goods and services related to the real estate transaction until I/we
 93 withdraw this consent in writing.

94 **List Home/Cell Numbers:** _____

95 **READING/UNDERSTANDING: If Client's agency agreement is for brokerage services related to real estate primarily intended**
 96 **for use as a residential property containing one to 4 dwelling units, Wisconsin law requires broker to request the client's**
 97 **signed acknowledgment that the client has received a copy of the written disclosure statement.**

98 **(X)** _____ **(X)** _____
 99 Client Signature ▲ Date ▲ Client Signature ▲ Date ▲

100 No representation is made as to the legality, appropriateness or adequacy of any provision in a specific transaction. The italicized
 101 words on line 54 have been added to the statutory language for clarification.

BROKER DISCLOSURE TO CUSTOMERS

1 Prior to negotiating on your behalf the Broker must provide you the following disclosure statement:

2 **BROKER DISCLOSURE TO CUSTOMERS**

3 You are a customer of the broker. The broker is either an agent of another party in the transaction or a subagent of another broker
4 who is the agent of another party in the transaction. The broker, or a salesperson acting on behalf of the broker, may provide
5 brokerage services to you. Whenever the broker is providing brokerage services to you, the broker owes you, the customer, the
6 following duties:

- 7 ■ The duty to provide brokerage services to you fairly and honestly.
- 8 ■ The duty to exercise reasonable skill and care in providing brokerage services to you.
- 9 ■ The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless
10 disclosure of the information is prohibited by law.
- 11 ■ The duty to disclose to you in writing certain material adverse facts about a property, unless disclosure of the information is
12 prohibited by law (See Lines 55-63).
- 13 ■ The duty to protect your confidentiality. Unless the law requires it, the broker will not disclose your confidential information or the
14 confidential information of other parties (See Lines 22-39).
- 15 ■ The duty to safeguard trust funds and other property the broker holds.
- 16 ■ The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages and
17 disadvantages of the proposals.

18 Please review this information carefully. A broker or salesperson can answer your questions about brokerage services, but if you
19 need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home inspector.

20 This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a plain-language summary of
21 a broker's duties to a customer under section 452.133 (1) of the Wisconsin statutes.

22 **CONFIDENTIALITY NOTICE TO CUSTOMERS**

23 BROKER WILL KEEP CONFIDENTIAL ANY INFORMATION GIVEN TO BROKER IN CONFIDENCE, OR ANY INFORMATION
24 OBTAINED BY BROKER THAT HE OR SHE KNOWS A REASONABLE PERSON WOULD WANT TO BE KEPT CONFIDENTIAL,
25 UNLESS THE INFORMATION MUST BE DISCLOSED BY LAW OR YOU AUTHORIZE THE BROKER TO DISCLOSE PARTICULAR
26 INFORMATION. A BROKER SHALL CONTINUE TO KEEP THE INFORMATION CONFIDENTIAL AFTER BROKER IS NO LONGER
27 PROVIDING BROKERAGE SERVICES TO YOU.

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- 29 1. MATERIAL ADVERSE FACTS, AS DEFINED IN SECTION 452.01 (5g) OF THE WISCONSIN STATUTES (SEE LINES 55-63).
- 30 2. ANY FACTS KNOWN BY THE BROKER THAT CONTRADICT ANY INFORMATION INCLUDED IN A WRITTEN INSPECTION
31 REPORT ON THE PROPERTY OR REAL ESTATE THAT IS THE SUBJECT OF THE TRANSACTION.

32 TO ENSURE THAT THE BROKER IS AWARE OF WHAT SPECIFIC INFORMATION YOU CONSIDER CONFIDENTIAL, YOU MAY LIST
33 THAT INFORMATION BELOW (SEE LINES 35-36). AT A LATER TIME, YOU MAY ALSO PROVIDE THE BROKER WITH OTHER
34 INFORMATION YOU CONSIDER TO BE CONFIDENTIAL.

35 **CONFIDENTIAL INFORMATION:** _____

36 _____

37 **NON-CONFIDENTIAL INFORMATION** (The following information may be disclosed by Broker): _____

38 _____

39 (INSERT INFORMATION YOU AUTHORIZE THE BROKER TO DISCLOSE SUCH AS FINANCIAL QUALIFICATION INFORMATION.)

40 **CONSENT TO TELEPHONE SOLICITATION**

41 I/We agree that the Broker and any affiliated settlement service providers (for example, a mortgage company or title company) may
42 call our/my home or cell phone numbers regarding issues, goods and services related to the real estate transaction until I/we
43 withdraw this consent in writing.

44 **List Home/Cell Numbers:** _____

45 **SEX OFFENDER REGISTRY**

46 Notice: You may obtain information about the sex offender registry and persons registered with the registry by contacting the
47 Wisconsin Department of Corrections on the Internet at: <http://offender.doc.state.wi.us/public/> or by phone at 877-234-0085.

48 BY INITIALING AND DATING BELOW I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND
49 THAT _____ and _____ are working

50 _____ Sales Associate ▲ _____ Firm Name ▲

51 as: (Owner's/Listing Broker's Agent) (Buyer's/Tenant's Agent or Buyer's Broker's Agent) **STRIKE ONE** .

52 **INITIALING THIS FORM TO ACKNOWLEDGE RECEIPT DOES NOT CREATE ANY LEGAL OBLIGATIONS TO BROKER.**

53 _____

54 Initials ▲ Date ▲ Print Name (optional) ▲ Initials ▲ Date ▲ Print Name (optional) ▲

No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.
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Drafted by Attorney Richard J. Staff

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57 is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would affect
58 the party's decision to enter into a contract or agreement concerning a transaction or affects or would affect the party's decision
59 about the terms of such a contract or agreement. An "adverse fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence
60 that a competent licensee generally recognizes will significantly and adversely affect the value of the property, significantly reduce
61 the structural integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information
62 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a contract or
63 agreement made concerning the transaction.