

Strange Story of a Broker . .

By Kim L. Kirn, Attorney and GGAR Mediator

Recently, the Illinois Appellate Court ruled on a real estate brokerage case that should make you feel better about the protection you receive for your hard work in finding and keeping clients.

In *Miller v. Lockport Realty Group*, the former tenant of a Skokie home contended he had a verbal agreement with the owner to buy the house. Of course, the real estate broker hired by the owner to sell the house was surprised to learn this one day while visiting the unoccupied house to prepare it for sale. All might have been fine if the price was right, but the tenant's price was \$160,000 lower than the asking price set by the owner and broker.

The tenant filed suit against the owner and also sued the real estate brokerage firm for tortious interference with a contract and tortious interference with economic advantage. These infrequently-used torts recognize that a business relationship is a "property interest" and is protected from unjustified tampering by another. However, the tampering is allowed if it is lawful competition; after all, this is the USA with an economy built upon businesses competing against one another. For the tenant to win, he had to prove the broker's conduct was unjustified or malicious. The broker defended by asserting that his actions were lawful competition in an open real estate market.

In the end, the court threw out the entire case. As you know, real estate contracts must be in writing, and the tenant had no written contract to buy the house. The REALTOR'S® actions were privileged as legitimate business competition, not motivated out of spite or ill will.