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DEFENDANT'S VERDICT – Breach of contract – Action for earned real estate commissions – Alleged conspiracy to commit conversion of commissions – Claimed negligence in paying commissions.

Miami-Dade County, FL

The plaintiff, a real estate brokerage company, brought this action against the real estate developer of a luxury residential condominium alleging that the defendant breached a verbal contract to pay \$725,000 in real estate commissions to the plaintiff. The plaintiff also claimed that the defendant negligently paid the commissions to a foreign licensed real estate broker and conspired to commit conversion of the commissions. The defendant denied that plaintiff was entitled to any relief and argued it had no contract with the plaintiff and had correctly paid all commissions to the procuring cause/broker of record on the transactions.

During the time when the subject real estate sales closed, the plaintiff real estate company was owned 50/50 by a husband and wife. The wife was the plaintiff company's licensed Florida broker of record and president of the company. The husband and wife were divorced in August 2014 and the husband was awarded 100% ownership of the plaintiff brokerage company during the dissolution proceeding.

The plaintiff claimed that in December, 2012, (prior to the divorce) the ex-wife referred three clients from the plaintiff's brokerage to the foreign broker so that the commissions would not be paid to the plaintiff and the ex-husband would not receive his 50% share of the proceeds. Those three clients then purchased three Bal Harbour condominium units from the defendant developer. The aggregate \$725,000 commissions on these sales were paid by the defendant to the foreign licensed brokerage company who introduced the clients to the developer. The plaintiff contended that the commissions rightfully belonged to it.

The defendant argued that it appropriately paid the real estate commission to the procuring cause/broker of record on each deal and that it had no knowledge that the buyers were referred by the ex-wife (while employed at the plaintiff company) to the foreign licensed broker.

The jury found that the plaintiff was not the procuring cause of the sale of any of the condominiums in question and that there was no contract between the defendant and the plaintiff. Accordingly, a defense verdict was entered.

Reference

Rapid Realty, Inc., et al vs. 9701 Collins Avenue, LLC, et al. Case no. 13-032073CA01; Judge John Thornton, 02-02-17.

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