

Real Estate Attorney Alerts to Problem of Fraudulent Wire Instructions for Real Estate; Licensee may be Liable

William Blanchard, Esq. cautions agents to avoid forwarding emails that contain wire transfer instructions for real estate transactions

ST. CHARLES, ILLINOIS, UNITED STATES, September 7, 2018 /EINPresswire.com/ -- In light of the frequent scams involving wire transfers of funds for [real estate](#) transactions, Illinois real estate lawyer [William B. Blanchard](#) alerts buyers and real estate businesses to this recurrent problem. The basic model of the scam is that scammers intercept and replace wire transfer instructions sent via email between the various parties to a real estate transaction. The buyer then wires the funds for the scheduled transaction, only to find that the funds were sent to the scammers' accounts where they quickly disappeared.

Recently a court had to address such issue. A federal district court in Kansas upheld a jury verdict in this regard in the case of BAIN v. PLATINUM REALTY, LLC. There, a jury found a real estate licensee 85% responsible for the buyer's losses, which occurred when the buyer transferred purchase money to fake account after licensee allegedly forwarded email containing fake wiring instructions to the buyer.

In this case, a real estate buyer ("Buyer") purportedly received an email from the listing broker ("Broker") that provided new wiring instructions for the upcoming closing on a property. The Buyer used the false instructions to wire the purchase money to the fraudulent account and lost \$196,622. The criminal had infiltrated the email exchanges between the parties to the transaction and created fake email accounts that were very similar to the email accounts used by the parties. The criminal had used these accounts to transmit the false wire instructions that were eventually sent to the Buyer.

“

theft of closing funds or sale proceeds is nationwide problem. The internet is everywhere, and it has become rather easy for a scammer to hack into email accounts and/or create fake identities”

William Blanchard, Real Estate Lawyer, Illinois



William B. Blanchard, Real Estate Attorney

The Buyer brought a lawsuit against a number of parties, including the Broker. The Broker claimed that she had never sent the email with the false wiring instructions. She had initially forwarded an email with the false wire instructions but she had sent it to one of the fake accounts set up by the criminal. She claimed that she had not sent

the later email that the Buyer did receive and used to send the purchase money to the fraudulent account.

The case went to trial, and the jury found that the Broker was 85% responsible for the loss and the court entered judgment against the Broker for \$167,129. The Broker filed a post-trial motion seeking a determination in her favor. Defendants argue that the evidence was insufficient to support the jury's finding in favor of plaintiff on his claim of negligent misrepresentation. The Court instructed the jury concerning the elements of that claim as follows: One who, in the course of his or her business, supplies false information for the guidance of another person in such other person's business transactions, is liable for damages suffered by such other person caused by reasonable reliance upon the false information if:

1. The person supplying the false information failed to exercise reasonable care or competence in obtaining or communicating the false information; and,
2. The person who relies upon the information is the person for whose benefit and guidance the information is supplied; and,
3. The damages are suffered in a transaction that the person supplying the information intends to influence.

The district court affirmed the jury verdict. The court rejected the Broker's argument that she did not send the email to the Buyer that was used to send the wire, finding this was an issue of fact for the jury to resolve as there was some evidence that the Broker had sent the later email. The jury determined that the Broker had sent the email, and so the court affirmed the jury verdict in favor of the Buyer.

[William Blanchard](#) notes that "theft of closing funds or sale proceeds is nationwide problem. The internet is everywhere, and it has become rather easy for a scammer to hack into email accounts and/or create fake identities to divert the funds for a real estate transaction. In some states, including Illinois, there are laws requiring a 'Closing

The screenshot shows the profile of William Byron Blanchard, Attorney, on the Lawyer.com website. The profile includes a photo, a bio, and a map of his office location at 1700 Lincoln Highway, Suite K, Saint Charles, IL 60174. The bio states: "Mr. William 'Bill' Blanchard is a solo practice attorney with offices in St. Charles and Oakbrook Terrace, Illinois. Bill specializes in representing real estate clients for purchases and sales as well as home owner real estate tax assessment appeals." The profile also lists his law office as Blanchard Law Group, Saint Charles Law Firms, and his status as "In Good Standing" with 44 years of licensure.

William Blanchard, Attorney Listing on www.Lawyer.com

William B. Blanchard, Esq.



Real Estate Law

Mr. William "Bill" Blanchard is a solo practice attorney with offices in St. Charles and Oakbrook Terrace, Illinois. Bill specializes in representing real estate clients for purchases and sales as well as home owner real estate tax assessment appeals.

Mr. Blanchard is General Counsel for Gaia Title, Inc, a title insurance agency and settlement services provider. The Company is owned by real estate attorneys who demand exemplary title insurance services and accurate and efficient settlement services. As General Counsel he is responsible for title examination, commitment and policy review, escrow settlement supervision and regulatory review.

Mr. Blanchard gained distinction as a real estate assessment attorney by representing 23 Will County senior citizen home owners before the Illinois Property Tax Appeal Board and winning every case; this in addition to several successful appeals before various County Boards of Appeal.

Bill is often interviewed for comments on significant legal and real estate news and is developing a blog for discussion of relevant judicial decisions affecting the title insurance industry.

Attorney Profile of William B Blanchard

williamblanchardblog.blogspot.com

The screenshot shows the homepage of the Gaia Title, Inc. website. The header features the company logo and navigation links: HOME, ABOUT US, REALTORS, ATTORNEYS, RATE CARD, and CONTACT US. The main content area has a blue background with the text "Welcome to Gaia Title, Inc" and a large image of the "GAIA TITLE" logo. Below the image, there is a bio for William Blanchard: "Mr. William Blanchard ('Bill Blanchard') is a solo practice attorney with offices in St. Charles and Oakbrook Terrace, Illinois. Bill specializes in representing real estate clients for purchases and sales as well as home owner real estate tax assessment appeals." The footer includes a "HOME" link.

Blog of William B Blanchard at williamblanchardblog.blogspot.com

This is another screenshot of the Gaia Title, Inc. website, showing the same header and navigation as the previous screenshot. The main content area features the text "Welcome to Gaia Title, Inc" and the "GAIA TITLE" logo. The bio for William Blanchard is also visible: "Mr. William Blanchard ('Bill Blanchard') is a solo practice attorney with offices in St. Charles and Oakbrook Terrace, Illinois. Bill specializes in representing real estate clients for purchases and sales as well as home owner real estate tax assessment appeals." The footer includes a "HOME" link.

Website of Gaia Title, William B. Blanchard, General Counsel

and/or create fake identities to divert the funds for a real estate transaction. In some states, including Illinois, there are laws requiring a 'Closing

Protection Letter (CPL). This is a form of insurance issued by title insurance companies, insuring the actions of a particular attorney, agent, and/or closer in conducting a closing. To bolster lender confidence in agency closings, major title companies and underwriters issued CPLs indemnifying lenders and buyers from losses occurring during the closing process.”

“Courts in many states without CPL legislation are struggling to justify decisions finding title companies and individual agency or agent’s errors and omission insurers responsible to the parties to real estate transactions that fail due to loss of funds or to sellers whose proceeds end up somewhere other than intended. Even though millions of dollars are being hijacked by unscrupulous closing agents, attorneys and hackers, there are no appellate or supreme court cases on the issue of title insurance company responsibility for loss due to fake wire transfer instructions involving CPLs,” concludes Mr. Blanchard.

The underlying case is JERRY BAIN, Plaintiff, v. PLATINUM REALTY, LLC and KATHRYN SYLVIA COLEMAN, Defendants, Case No. 16-2326-JWL United States District Court, D. Kansas (June 25, 2018). The Court’s memorandum and order upholding the jury verdict is at https://www.gpo.gov/fdsys/pkg/USCOURTS-ksd-2_16-cv-02326/pdf/USCOURTS-ksd-2_16-cv-02326-3.pdf

About Real Estate Lawyer William Blanchard (Illinois)

William B. Blanchard (“Bill Blanchard”) is a solo practice attorney with offices in St. Charles and Oakbrook Terrace, Illinois. Bill Blanchard specializes in representing real estate clients for purchases and sales as well as home owner real estate tax assessment appeals. Mr. Blanchard is General Counsel for Gaia Title, Inc. a title insurance agency and settlement services provider.

References

LinkedIn: <https://www.linkedin.com/in/william-bill-blanchard-080a48b/>

Listing in Attorney Directory: <https://www.lawyer.com/william-byron-blanchard.html>

Facebook: <https://www.facebook.com/blanchardlawgroup/>

Attorney Directory: <https://solomonlawguild.com/william-b-blanchard%2C-esq>

Blog: <https://williamblanchardblog.blogspot.com/>

William B. Blanchard, Attorney at Law
Gaia Title, Inc.
(630) 549-7909
email us here

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases. © 1995-2018 IPD Group, Inc. All Right Reserved.