



# The Texas Legal Alert

Wills-Trusts-Real Estate-Accidents

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This newsletter is published by the law offices of Andrew Traub. It is for informational purposes only and no legal advice is intended. Each case is different and you are invited to discuss your legal questions with Mr. Traub at no initial cost.



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## \$50,000 Recovered

A few months ago, a client came to our office in despair. He had been cheated by an unscrupulous real estate agent. The agent had approached our client, boasting of his real estate experience including acquiring, managing, and selling real estate. He said he was looking for investors for property he already owned and which he planned to purchase. He boasted of the returns he was getting for himself and other investors, his knowledge of real estate law, accounting, and education in real estate.

Our client paid money for a partial interest in a trust holding several properties which allegedly had substantial equity built up in them. Not disclosed to our client was that the agent was taking the rentals from the properties and paying himself with the money. He never paid down the note, not even the interest on the note, and did not pay the property taxes at the end of the year. In addition, the agent "churned" the houses by selling them to buyers under a contract-for-deed arrangement, but did not disclose to the buyers that the property taxes would have to be paid by them at the end of the year. The result was that the buyer, who had paid monthly and made a substantial deposit, lost the house after a year. When property taxes came due, the agent hit my client up for additional monies.

Additionally, my client made a loan which was secured by a house. The agent told my client the house was free and clear of any liens. As it turned out, there were already three liens against the house, so the loan, effectively, had no security.

After filing suit, and obtaining a judgment against the agent, we ultimately recovered \$50,000 for our client from the Texas Real Estate Recovery Trust Account.

## Austin Events for June 2007

### The People's Gallery at City Hall

February 23, 2007 to January 31, 2008

The People's Gallery at City Hall features artworks by more than 100 local artists on three floors. View the exhibition and the beautiful architecture of Austin City Hall any time during building hours.



### Kerrville Folk Festival

May 24, 2007 to June 10, 2007

More than just a "folk music" festival, Kerrville offers music of many styles including traditional folk, bluegrass, acoustic rock, blues, country, jazz, and Americana. The common thread is songwriting.

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## Local Sales of Pre-owned Homes Drop to 2-year Low

**Despite January decline, analysts predict market will remain strong.**

By M.B. Taboada

Home sales in Central Texas hit a two-year low in January, according to a new report from the Austin Board of Realtors.



Sales of pre-owned single-family homes fell 6 percent in January from the same month a year earlier, to 1,452 homes. But the median price climbed to \$175,000, up nearly 5 percent from the same month a year ago, the board reported.

The sales figures were the lowest since January 2005, when 1,336 homes were sold. January is traditionally a slow month for home sales, and an ice storm cut into house shopping last month.

Despite the January dip, the region is still defying the cooling housing market that has affected other parts of the country, and analysts expect the trend to continue. Local real estate agents as well as experts from Texas A&M University's Real Estate Center have predicted that Central Texas' housing market in 2007 will be as strong, if not stronger, than last year's.

Pending sales of single-family homes rose 12 percent from a year earlier to 2,168. This indicates that sales might rebound in February.

"Demand in Austin will be strong," said Sam Carroll, a broker associate with ReMax Downtown Austin. "The interest in downtown and the metro area in general continues unabated."

Carroll said he is seeing a shift in buyers, with more of his clients coming from the East Coast rather than the West Coast. But "The end results are the same, left coast or right coast," he said. "They are all focusing on mid-

America now, and Austin is one of the bright spots." Homes remained on the market for an average of 76 days in January, down a day from the year-earlier period. But homes in some areas including Cherry Creek, Sendera, Great Hills and Balcones Woods were selling much more quickly at higher prices. Homes in the suburban north, northwest and southwest also showed strong sales.

Townhomes and condominiums also did well in January, with 159 sold, up 21 percent from the same month last year. Pending sales of townhomes and condos, at 240, were about 22 percent higher year-over-year.

Potential home buyers seeking less-expensive homes are faced with a shrinking supply as values rise. The greatest number of homes sold in January were in the \$200,000 to \$499,000 range.

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## We're Always Here for You

When a person or a family is seriously injured in a seemingly larger-than-life situation, we offer them the hope and promise of fair treatment and compensation for harm.

Victims of a person's or a business's negligence may be so injured, upset, confused, or traumatized that they cannot speak out for themselves. That's when we become their voice.



We will bring our experience, resources, and most importantly, our passion and heartfelt concern to bear for those harmed by insensitive wrongdoers to compensate them for the harm they have suffered.

In consultation with our clients, we may recommend several alternate paths to injury-case resolution. However, when circumstances call for it, we will represent our clients in court, presenting evidence in the cases to judges and jurors in a convincing manner to help them perceive victims' plights as the victims themselves feel them.

*Thanks For The Kind Words...*

**“Andrew was great! Very professional and thorough. I look forward to working with him again in the future!”**

-Kristin Calkins

## **Antioxidants Not Tied to Longevity, Study Says**

Antioxidant vitamins taken by tens of millions of people around the world won't lead to a longer life, according to an analysis of dozens of studies that adds to evidence questioning the value of the popular supplements.

The large review of separate studies on thousands of people found no long-life benefit from vitamins A,E, and C, beta carotene and selenium.

However, some experts said its too early to toss out all vitamin pills or the possibility that they might have some health benefits.



An estimated 80 million to 160 million people take antioxidants in North America and Europe, about 10 to 20 percent of adults, the study's authors said.

The study, appearing in today's Journal of the American Medical Association, analyzed 68 studies involving 232,606 effect on mortality-good or bad- linked to taking antioxidants.

When researchers eliminated the lower-quality studies and looked only at the most trustworthy ones, they found a slightly higher risk of death for people taking vitamins. The actual cause of death in most studies was unknown.

## **Lost Opportunity Costs**

**By Joe Casselman**

Are you currently building wealth? Are you aware of any money that is being transferred away from you? The majority of you most likely have not measured an actual amount of lost wealth you will incur over a period of time, especially over a lifetime. What is Lost Opportunity Costs?

In Economics, opportunity cost refers to the possible alternative uses of money. For example, when you spend \$40 on gasoline to fill up your car, there was an opportunity to use that money for something else. Perhaps this money could have been invested and would have grown to several thousands of dollars over time. Is it practical to analyze opportunity costs?

For most, the benefit (or necessity) of having a full tank of gasoline is more important than saving or investing the money. However, we want to consider the opportunity cost when it comes to building wealth.

If your portfolio goes down 10 % one year, what did you lose? You not only lost 10%, you also lost what that amount of money could have grown to. Perhaps your account will get back to where it was at some point, but you have created a lost opportunity cost for the rest of your life. This money will never be back in your economy, it is lost. Measured over a lifetime, this one time 10% loss could prove to be significant.

Consider this analogy; you are attempting to fill a bucket full of water. You cannot seem to get it filled up no matter how much water you put into it. Then you discover that the bucket has several large holes in the bottom. Most people, when it comes to building wealth, have holes in their buckets. How much more could you have if you simply plugged the holes by reducing the amount of transferred wealth?

To measure the lost opportunity costs in your financial situation, call me at 512-294-7046 by May 18<sup>th</sup> and lunch is on me.

### ***Thank You! Thank You! Thank You!***

Special thanks go out to all of our clients and friends who graciously referred our law firm to their friends and neighbors last month! Our practice is built based on positive comments and referrals from people just like you. We just couldn't do it without you: Sanford and Rhoda Epstein, Dean Smith, Michael Chavez, Shea O'Harrow, Patricia Calhoun, and Joel Cohen.



### The Local Real Estate Market

Thinking about selling your house on your own? You can do it without a realtor and we can help for a nominal fee. Our office will write up the contract for you, including special language to protect you from lawsuits.

### Diving Dolphin News

Adina's Diving Dolphin Kickball team was off to a slow start, but now that everyone knows how to play, the team is doing very well, winning most of their recent games (the one they did lose was by one run). This month is the final month of play, so I will let you know how the team did next month!



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If you or a friend is need of legal assistance, please have them call me at (512) 343-2572.

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