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Conflict of Interest

Stephen Lasser · Sunday, October 10th, 2010

Another common scenario: say the wife of the board treasurer is a real estate broker. She's the listing agent for an apartment in the building. She found potential buyers, who now have to get approved by the board.

"It's okay for a transaction like that, where there's a related director," says Stephen M. Lasser, an attorney shareholder with the Manhattan offices of the law firm of Stark & Stark, "but the board member needs to disclose that, and to recuse themselves from the vote."

Chances are, the application gets approved regardless. Chances are, the broker vets the buyers. Chances are, everything would have played out exactly the same way. But appearances are important here. "Even if they say they can act impartially, it doesn't look like it on its face," says Lasser, who concentrates his practice in the firm's Condominium and Co-op Group. And the appearance of impropriety can often be just as damaging as an actual misdeed. [Download PDF](#)

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