

AGENCY RELATIONSHIPS

Agency: A *fiduciary relationship* that results when one person (the *principal*) manifests her consent that another person (the *agent*) will act **on her behalf** and **subject to her control**, and the agent manifests his consent to so act.

- **Fiduciary:** A person who undertakes to act on behalf of and primarily for the benefit of another.
- **Fiduciary Duty:** A duty arising from the trust and confidence placed in a fiduciary by those on whose behalf and for whose benefit she acts.

AGENT'S DUTIES TO THE PRINCIPAL

1. **Performance:** An agent implicitly agrees to use **reasonable diligence and skill** (except for a specialist, who is held to a higher degree of skill) in performing the task in its entirety.
2. **Notification:** An agent must **notify the principal** of all matters that come to the agent's attention concerning the subject matter of the agency.
3. **Loyalty:** An agent must act **solely for the benefit of his or her principal**, and not in the interest of the agent or a third party.
4. **Confidentiality:** Any information or knowledge obtained in the course of the agency must be kept **confidential**.
5. **Obedience:** An agent must **follow all lawful and clearly stated instructions** of the principal.
6. **Accounting:** Unless otherwise agreed, an agent must keep and make available to the principal an **account of all property and money received and paid out on the principal's behalf**, including gifts received from third persons.