

SLIDE 1 – COVER PAGE

SLIDE 2 – TOPICS

In this section we will cover the following topics:

- I. Brokerage offices
- II. Guidelines for advertising
- III. Handling of deposits
- IV. Rental Lists and Rental Companies
- V. Broker/Sales associate licensee as an expert in specific aspects of property transfer
- VI. Commissions
- VII. Change of Employer
- VIII. Unauthorized display of names or insignia of real estate organizations or associations is prohibited by FREC rules

SLIDE 3 – TOPICS – (continued)

- IX. Change of address procedure and penalty for failure to notify FREC
- X. Types of Business Entities

SLIDE 4 – LEARNING OBJECTIVES

Upon completion of this lesson, you should be able to:

- Identify the requirements for real estate brokerage office(s) and the types of business entities that may register
- Explain what determines whether a temporary shelter must be registered as a branch office
- List the requirements related to sign regulation
- List the requirements related to the regulation of advertising by real estate brokers
- Explain the term immediately as it applies to earnest money deposits

SLIDE 5 – LEARNING OBJECTIVES – (continued)

- Describe the four settlement procedures available to a broker who has received conflicting demands or who has a good-faith doubt as to who is entitled to disputed funds
- Explain the rule regarding the advertisement of rental property information or lists or negotiation of rentals
- Describe the obligations placed on a sales associate who changes employers and/or address

SLIDE 6 – KEY TERMS

Here are some key terms we'll encounter in this lesson:

- **Arbitration** – The act of having a third party render a binding decision in a dispute between two parties.
- **Blind Advertisement** – An advertisement of a principle's property providing only a telephone number, a P.O. Box, and/or an address without the licensed name of the brokerage firm.
- **Commingle** – To mix together money or deposit with personal funds; combine; intermingle.
- **Conflicting Demands** – When different parties each make claims that are inconsistent with one another.

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- **Conversion** – Unauthorized use or retention of money or property that rightfully belongs to another person.

- **Corporation (Inc.)** – An artificial or fictitious person formed to conduct to specified types of business activities.
- **Deposit** – Earnest money or some other valuable consideration given as evidence of good faith to accompany an offer to purchase or rent.
- **Earnest money** – A type of money that a broker may handle for others in the ordinary course of business; also referred to as good-faith deposit or binder deposit.

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- **Escrow account** – An account in a bank, title company, credit union, savings association, or trust company used solely for safekeeping customer funds and not for deposit of personal funds; impound account or trust account.
- **Escrow Disbursement Order (EDO)** – A course of action for determining the disposition of a contested deposit.
- **General Partnership** – An association of two or more persons for the purpose of jointly conducting a business, each being responsible for all the debts incurred in the conducting of that business.
- **Good-faith doubt** – A party's honest intent to transact business, free from any intent to defraud the other party; each party's faithfulness to one's duty or obligation set forth by contract.

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- **Interpleader** – A course of action when two contesting parties cannot reach an arbitrated agreement; a legal proceeding whereby the broker, having no financial interest in the disputed funds, deposits with the court the disputed escrow deposit so that the court can determine who is the rightful claimant.
- **Kickback** – Payment of money from someone other than the buyer or seller associated with the real estate business.
- **Limited Liability Company (LLC)** – An alternative, hybrid business entity with the combined characteristics and benefits of both limited partnerships and S corporations.

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- **Limited Liability Partnership** – Any business entity that features protection from personal liability but with fewer legal restrictions compared with other business entities.
- **Limited Partnership** – A business entity consisting of one or more general partners and one or more limited partners.
- **Litigation** – An action brought in court to enforce a particular right. The act or process of bringing a lawsuit in and of itself; a judicial contest.
- **Mediation** – The act of having a third party attempt to reconcile a dispute between two parties.

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- **Ostensible Partnership** – One or more parties cause a third party to be deceived into believing that a business relationship exists when no such arrangement exists.
- **Professional association (PA)** – A body of persons engaged in the same profession, formed usually to control entry into the profession, maintain standards, and represent the profession in discussions with other bodies.
- **Point of Contact Information** – Any means by which to contact the brokerage firm or individual licensee including mailing address(es), physical street address(es), e-mail address(es), telephone number(s), or facsimile telephone number(s) .

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- **Sole Proprietorship** – Dealing as an individual in business.
- **Trade name** – A name under which a product or service is marketed or under which a business operates.

SLIDE 13 – Brokerage Offices

In this section we'll talk about requirements the commission places on brokerage offices with respect to location, signage and who must be officed there.

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Broker's office – F.S. 475.22(1)

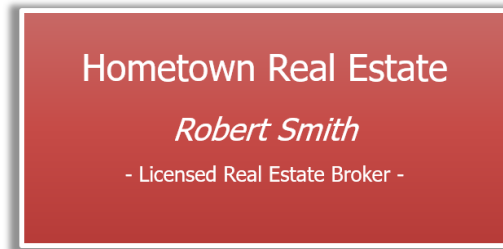
Each active broker shall maintain an office, with at least one enclosed room in a building of stationary construction.

As long as the zoning laws allow, this office can be housed in a residence.

The broker shall maintain a sign on or about the entrance of her or his principal office and each branch office which includes the broker's name and trade name, if applicable.

At a minimum, the words "licensed real estate broker" or "lic. real estate broker" must appear on the office entrance signs.

For example:



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Broker's office – 61J2-10.023(1) FAC

If a broker desires to conduct business from more than one office, each additional office must be registered as a branch office, and the fee must be paid for its registration, as provided in subsection 61J2-1.011(3), FAC.

If a broker closes a branch office and, at about the same time, establishes another at a different location, the registration of the office which was closed may not be transferred.

Such new location is a new branch office which must be registered and the fee paid as though the other had not been closed. Upon application to the BPR, the broker may reopen the first office at any time during the license period without payment of an additional fee.

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Office – 61J2-10.22 FAC

Sales associates must be registered from and work out of an office maintained and registered in the name of the employer.

Sales associates may not house themselves in offices, including home offices, that is independent of the broker.

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Temporary shelter – 61J2-10.023(2) FAC

A temporary shelter (such as a construction trailer), on a sub-division being sold by the broker, for the protection of salespersons and customers and at which transactions are not closed and salespersons are not permanently assigned, is not deemed to be a branch office.

The permanence, use, and character of activities customarily conducted at the office or shelter shall determine whether it must be registered.