

Real Estate Today

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Broker 'Teams' Both Allowed & Cautioned by Commission

By **JIM SMITH, Realtor®**

Nowadays, it's popular for one or more real estate licensees and their unlicensed colleagues to identify themselves as a "team." In the past, I have written about and identified my own "team." Having a team could mean having a payroll, or it could simply be an arrangement for working together. State law prohibits any sharing of commissions as the basis for compensating unlicensed members of a team. To me, it makes more sense to refer clients to a licensed colleague and get a referral fee than to have them on my "team" with some commission-splitting arrangement.

As a licensee, I need to know and abide by licensing laws and regulations, which are both changing constantly. My employing broker has ultimate responsibility for my actions and for my failure to properly supervise any unlicensed assistants.

The spring 2006 newsletter of the Colorado Real Estate Commission (CREC) included a position statement restricting the ability of agent teams to promote themselves. Basically, the CREC said that while teams per se are encouraged by the Commission as a way of providing better service to clients, they should not advertise their team identity in any way — including on business cards — that might mislead the public into believing

that the team is the actual brokerage.

You can assume that any member of a "team" is a Broker Associate working for an employing broker, because an employing Broker would have no need to call him or herself a team — he's a brokerage.

The CREC has a particular problem with teams that aren't simply named after the team leader — for example, "The Jim Smith Team." If that team were named the "The Golden Home Team" then the public might be misled into thinking that the team is a licensed brokerage — especially if I didn't include the name of my real brokerage on the ad, business card, etc., where the team name appeared.

Teams are allowed to incorporate for tax or other purposes, but only if the entity is solely owned by the licensee. Also, if I incorporated my "Jim Smith Team," the CREC says I may not include "Inc.," or "LLC" or any such legal suffix in any ad or business card and, again, I must prominently include the name of the licensed brokerage, RE/MAX Alliance, where my personal license "hangs."

In addition and for the same reason, no team may have the words "Realty" or "Real Estate" in its name.

The CREC newsletter concluded with the following: "Employing brokers are advised to monitor their licensees' creation of teams and their advertising practices to ensure that the public is not misled and that the identity of the brokerage is clearly and accurately represented."



This Week's Featured Listing

New Price on 2-Story with Main-Floor Master

Aging Baby-Boomers (like Rita and me) look for homes with main-floor masters, and usually we have to settle for one-story homes. This home has the feeling and functionality of a ranch — a main-floor master with his & her walk-in closets, plus a main-floor study — but with two bedrooms and a bath upstairs for guests or children. The fully finished basement has a fourth bedroom, children's play room, home theatre with wet bar, and another study. **Open Sat., 1-4 pm.**



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