

If application is to reinstate an expired or revoked firm license, check the box below and provide the old license number.

Reinstatement Application
Old License Number _____



NORTH CAROLINA REAL ESTATE COMMISSION

P. O. Box 17100
Raleigh, North Carolina 27619-7100
919/875-3700
www.ncrec.gov

For Commission Use Only

APPL. # _____ FEE _____

FIRM LIC. # _____

ISSUED _____

APPLICATION FOR REAL ESTATE FIRM LICENSE

GENERAL INSTRUCTIONS

1. Read Commission Rules 58A .0502, 58A .0110, 58A. 0506, and 58A .0103(c).
2. For advice regarding formation of your business entity, consult your attorney.
3. Read each provision of the application and the instructions on this page carefully. If any part of the application is incorrect or incomplete, or if required attachments are not included, the application may be returned, resulting in a delay in the licensing process.
4. Type or print legibly in ink, and mail the completed application to the Commission office. Application may NOT be submitted by email or fax.
5. Remember to enclose a check or money order payable to the N.C. Real Estate Commission for the application or reinstatement fee. A company or personal check is acceptable. Fees are non-refundable.
6. Registration for the *12-hour Broker-in-Charge Course* is available on the Commission's website (www.ncrec.gov) under Education. Do not send a course registration form or fee with this application.

REQUIRED ATTACHMENTS

1. **Non-refundable Fee.** (*Select ONE and include appropriate fee as noted.*)
 - \$100.00 Application Fee for new firms.
 - \$90.00 Reinstatement Fee for firm licenses expired, revoked, canceled, or surrendered for more than 6 months and up to 2 years. (*Please insert the firm's prior license number at the top of the page.*)
 - \$100.00 Application Fee for firm licenses expired, revoked, canceled, or surrendered for more than 2 years. (*Please insert the firm's prior license number at the top of the page.*)
2. A completed **"Broker-in-Charge" Declaration** form for each office location from which North Carolina brokerage activities will be conducted. [Form provided with application.]
3. **LLCs and Partnerships:** A copy of the entity's **written operating agreement** listing all principals and their power and authority. If no written operating agreement exists, the applicant must provide a written description of the rights and duties of the principals and the name of each principal.
Business Entity (other than a corporation, limited liability company, or partnership): A description of the organization of the entity, including a copy of its **organizational documents** evidencing its authority to engage in real estate brokerage.
Foreign (Out of State) Firms: A completed "Consent to Service of Process and Pleadings" form (REC 1.03). [*Form included in application packet.*]

NOTE: The Commission reserves the right to request additional information regarding the applicant (such as copies of organizational documents or addresses of the firm's principals) as may be necessary to fully identify all principals to be associated with the firm and the firm's eligibility for licensure. **"Principal"** is defined as any person or entity owning 10% or more of the applicant entity or who is an officer, director, manager, member, partner or holds a comparable position in the applicant entity.

This section for Commission use

Character Approved By _____	Firm License No. _____	Date Licensed _____	Control No. _____
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TO BE COMPLETED BY APPLICANT

(1) **Type of Business Entity:**
 Corporation Partnership Limited Liability Company Other (Describe) _____

(2) **Legal Name of Applying Firm:** [Enter the complete name of the firm exactly as it is shown on its "Articles of Incorporation" (Corporation), "Partnership Agreement" (Partnership), "Articles of Organization" (Limited Liability Company, or organizational documents (Other Business Entity).]

(3) **Name Under Which Firm Will Engage in The Real Estate Business:** [If using an assumed name, the firm must file an "Assumed Name Registration Certificate" with the County Register of Deeds Office in compliance with N.C.G.S. 66-68.]

(4) **Firm's Principal Office Physical Address**
Street Address _____ City _____
State _____ Zip (9-digit mandatory) _____

Firm's Principal Office Mailing (P.O.) Address
Mailing (P.O.) Address _____ City _____
State _____ Zip (9-digit mandatory) _____

Phone _____ Fax _____

(5) **Secretary of State Identification Number (SOSID)** _____
[If the applicant is a **corporation, limited liability company** or **limited partnership**, the applicant must provide the SOSID. A corporation, limited liability company or limited partnership is required by North Carolina law to be registered with the office of the N.C. Secretary of State and to maintain that registration on current status. Applicants must be in compliance with these requirements to be eligible for licensure and compliance will be verified by the Commission. A **general partnership** or **other business entity** not required to register with the Secretary of State may skip this item.]

(6) **Qualifying Broker of Firm**
Name _____ NC Broker License No. _____
(First, Middle Initial, Last)

[The **qualifying broker** is required to possess an **active** North Carolina real estate broker license and must be a corporate officer if a corporation, a general partner if a partnership, or a manager if a limited liability company. The **qualifying broker** acts as the primary contact person between the firm and the Real Estate Commission and performs certain specified administrative duties. Only one **qualifying broker** is permitted at any time, even if the firm operates multiple real estate offices.]

(7)

CORPORATION

Corporate Officers. List below the names, corporate titles, and N.C. real estate license numbers (if licensed) of all the major officers (President, Vice President, Secretary, Treasurer, etc.) of the corporation. *[Attach an additional sheet if necessary.]*

Name _____ Title _____ RE License No. _____

Name _____ Title _____ RE License No. _____

Name _____ Title _____ RE License No. _____

Name _____ Title _____ RE License No. _____

Corporate Shareholders. List below any additional persons (or entities) not listed as corporate officers who own at least 10% of the outstanding shares of stock (of any class) and provide their N.C. real estate license numbers (if licensed). *[Attach an additional sheet if necessary.]*

Name _____ RE Lic No. _____ Name _____ RE Lic No. _____

Name _____ RE Lic No. _____ Name _____ RE Lic No. _____

Note: Per Rule 58A.0502, the **qualifying broker** of a corporation must be an **officer** of the corporation.

(8)

PARTNERSHIP

Partners. List below the name and N.C. real estate license number (if licensed) of each general and limited partner of the partnership and indicate whether a general or limited partner. *[Attach additional sheet if necessary.]*

Name _____ RE License No. _____ General Partner Limited Partner

Name _____ RE License No. _____ General Partner Limited Partner

Name _____ RE License No. _____ General Partner Limited Partner

Name _____ RE License No. _____ General Partner Limited Partner

Note: Per Rule 58A.0502, the **qualifying broker** of a partnership of any kind must be a **general partner** of the partnership.

REQUIRED ATTACHMENTS:

A copy of the company’s written partnership agreement listing all partners and their power and authority. If no written partnership agreement exists, the applicant must provide a written description of the rights and duties of the partners and the name of each partner.

If a partner is an entity rather than a natural person, provide the names of all officers, managers, or partners of the entity that is listed as a partner. Further, if a manager, officer, or partner of an entity shown on the application as being linked to the applicant entity is an entity, rather than a natural person, provide the names of all officers, managers, or partners of that [linked] entity.

(9)

LIMITED LIABILITY COMPANY

Managers and Members. List below the name and N.C. real estate license number (if licensed) of each manager and member of the limited liability company and indicate whether a manager or member or both. *[Attach additional sheet if necessary.]*

Name _____	RE License No. _____	<input type="checkbox"/>	Manager	<input type="checkbox"/>	Member
Name _____	RE License No. _____	<input type="checkbox"/>	Manager	<input type="checkbox"/>	Member
Name _____	RE License No. _____	<input type="checkbox"/>	Manager	<input type="checkbox"/>	Member
Name _____	RE License No. _____	<input type="checkbox"/>	Manager	<input type="checkbox"/>	Member

Note: Per Rule 58A.0502, the **qualifying broker** of a limited liability company must be a **manager** of the company.

REQUIRED ATTACHMENTS:

A copy of the company’s written operating agreement listing all managers and their power and authority. If no written operating agreement exists, the applicant must provide a written description of the rights and duties of the managers and the name of each manager.

If a manager is an entity rather than a natural person, provide the names of all officers, managers, or partners of the entity that is listed as a manager. Further, if a manager, officer, or partner of an entity shown on the application as being linked to the applicant entity is an entity, rather than a natural person, provide the names of all officers, managers, or partners of that [linked] entity.

(10)

OTHER BUSINESS ENTITY

Principals. List below the name, title and N.C. real estate license number (if licensed) of any persons or entity who owns the applicant business entity to any extent or who is an officer, director, manager, member, partner or holds any other comparable position. *[Attach additional sheet if necessary.]*

Name _____	Title _____	RE License No. _____
Name _____	Title _____	RE License No. _____
Name _____	Title _____	RE License No. _____

Note: Per Rule 58A.0502, the **qualifying broker** of a business entity must be a **principal** of the entity, meaning any person or entity owning 10 percent or more of the business entity, or who is an officer, director, manager, member, partner, or who holds any other comparable position of the company.

REQUIRED ATTACHMENTS:

A description of the organization of the entity, including a copy of its organizational documents evidencing its authority to engage in real estate brokerage.

(11) **One-Person Real Estate Firm.** Please answer the following questions:

(a) Is the firm designated a "Subchapter S" corporation for tax purposes by the IRS?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(b) Is the qualifying broker named in item 6 the only person affiliated with the firm?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(c) Is the firm being licensed solely for the purpose of receiving compensation for brokerage services performed by the qualifying broker through another firm?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

*If the answer to all three questions in (a)-(c) above is "Yes," a **broker-in-charge** is NOT required to be designated for the applicant firm and you may disregard Item 12 below. If the answer to any of the questions in (a)-(c) above is "No," follow the instructions in Item 12 below.*

(12) **Brokerage Office(s) and Broker(s)-in-Charge.**

The **Qualifying Broker** for the firm must designate and assure that there is at all times a broker-in-charge for *each office of the firm where (or from which) North Carolina brokerage activities will be conducted* (including out-of-state offices). A broker may act as **broker-in-charge** for only **one** office location of the firm. The **qualifying broker** may also serve as **broker-in-charge** (if eligible) of **one** of the firm's offices. The broker-in-charge must be a licensed N.C. broker.

List below each broker-in-charge and office of the firm where (or from which) North Carolina real estate brokerage activities will be conducted. **ALSO READ ITEM 11 ABOVE BEFORE COMPLETING THIS ITEM.** *(Attach additional sheet if necessary.)*

Office #1: _____

(Name of Broker-in-Charge)	(Broker License No.)	(Street Address or Highway Number and P. O. Box)
(City)	(State)	(Zip) (Phone) (Fax)

Office #2: _____

(Name of Broker-in-Charge)	(Broker License No.)	(Street Address or Highway Number and P. O. Box)
(City)	(State)	(Zip) (Phone) (Fax)

COMPLETE AND ATTACH TO THIS APPLICATION THE ENCLOSED "**BROKER-IN-CHARGE DECLARATION**" FORM FOR EACH BROKER-IN-CHARGE LISTED ABOVE.

Please answer the following questions:		Yes	No
(13)	Has anyone listed in items 6, 7, 8, 9, 10 or 12 (or any director of a corporation applicant) ever been convicted of any criminal offense or is there any criminal charge pending against them? (Be sure to report to all offenses for driving while impaired and serious traffic offenses - exclude only minor traffic offenses.) <i>[If "Yes", provide a copy of the court judgment, release from parole or probation, and a complete explanation from the affected person.]</i>	<input type="checkbox"/>	<input type="checkbox"/>
(14)	Has anyone listed in Items 6, 7, 8, 9, 10 or 12 ever been denied a real estate license or had a real estate or other professional license suspended, revoked or surrendered, or otherwise been disciplined by a licensing agency in N.C. or elsewhere, or are there currently any charges pending against them in connection with any real estate or other professional license that they hold? <i>[If "Yes", provide a copy of the licensing agency's order and a complete explanation from the affected person.]</i>	<input type="checkbox"/>	<input type="checkbox"/>
(15)	Does the firm propose to engage in the business of selling or marketing time shares in this State? <i>[If "Yes", see Article 4, Chapter 93A of N.C. General Statutes and Subchapter 58B of the Commission's rules.]</i>	<input type="checkbox"/>	<input type="checkbox"/>

(16) List each federally insured depository institution lawfully doing business in North Carolina where the entity's trust account(s) will be held, if applicable:

(17) Certification and Signature of Qualifying Broker

The undersigned certifies that he/she has read the foregoing application and that the information stated therein, including any attachments, is true to the best of his/her knowledge and belief, and that he/she is duly authorized by said firm to make this application and apply to the North Carolina Real Estate Commission for a license to engage in the business of real estate brokerage under the provisions of Chapter 93A of the General Statutes of North Carolina.

The undersigned further certifies that the organizational documents of the applicant firm authorize the firm to engage in the real estate business. (It is sufficient if the documents authorize the firm to engage in any lawful business or are silent regarding the firm's type of business, but if a specific business is named, then the real estate brokerage business must also be named.)

(Email Address)

(Signature of Qualifying Broker)

(Date)

**NORTH CAROLINA
REAL ESTATE COMMISSION**

Selected Rules for Firm Licensing

A .0502 Firm Licensing

(a) Every business entity other than a sole proprietorship shall apply for and obtain from the Commission a firm license prior to engaging in business as a real estate broker.

(b) An entity that changes its business form other than by conversion shall submit a new firm license application upon making the change and obtain a new firm license. An entity that converts to a different business entity in conformity with and pursuant to applicable North Carolina General Statutes shall not be required to apply for a new license. However, such converted entity shall provide the information required by this Rule in writing to the Commission within 10 days of the conversion and shall include the duplicate license fee pursuant to Rule .0101(c) of this Subchapter.

(c) Firm license application forms shall be available on the Commission's website or upon request to the Commission and shall require the applicant to set forth:

- (1) the legal name of the entity;
- (2) the name under which the entity will do business;
- (3) the type of business entity;
- (4) the address of its principal office;
- (5) the entity's NC Secretary of State Identification Number if it is required to be registered with the Office of the NC Secretary of State;
- (6) each federally insured depository institution lawfully doing business in this State where the entity's trust account(s) will be held, if applicable;
- (7) the name, real estate license number, and signature of the proposed qualifying broker for the firm;
- (8) the address of and name of the proposed broker-in-charge for each office as defined in Rule .0110(a) of this Subchapter, along with a completed broker-in-charge designation form described in Rule .0110(f) of this Subchapter for each proposed broker-in-charge;
- (9) any past criminal conviction of and any pending criminal charge against any principal in the company or any proposed broker-in-charge;
- (10) any past revocation, suspension, or denial of a business or professional license of any principal in the company or any proposed broker-in-charge;
- (11) if a general partnership, a description of the applicant entity, including a copy of its written partnership agreement or if no written agreement exists, a written description of the rights and duties of the partners, and the name of each partner. If a partner is an entity rather than a natural person, the name of each officer, partner, or manager of that entity, or any entity therein;
- (12) if a limited liability company, a description of the applicant entity, including a copy of its written operating agreement or if no written agreement exists, a written description of the rights and duties of the managers, and the name of each manager. If a manager is an entity

rather than a natural person, the name of each officer, partner, or manager of that entity, or any entity therein;

(13) if a business entity other than a corporation, limited liability company, or partnership, a description of the organization of the applicant entity, including a copy of its organizational documents evidencing its authority to engage in real estate brokerage;

(14) if a foreign business entity, a Certificate of Authority to transact business in North Carolina issued by the NC Secretary of State and an executed consent to service of process and pleadings; and

(15) any other information required by this Rule.

(d) When the authority of a business entity to engage in the real estate business is unclear in the application or in law, the Commission shall require the applicant to declare in the firm license application that the applicant's organizational documents authorize the firm to engage in the real estate business and to submit organizational documents, addresses of affiliated persons, and similar information. For purposes of this Rule, the term "principal," when it refers to a person or entity, means any person or entity owning 10 percent or more of the business entity, or who is an officer, director, manager, member, partner, or who holds any other comparable position.

(e) After filing a firm license application with the Commission, the entity shall be licensed provided that it:

(1) has one principal holding a broker license on active status in good standing who will serve as the qualifying broker; and

(2) employs and is directed by personnel licensed as a broker in accordance with this Chapter.

The qualifying broker of a partnership of any kind shall be a general partner of the partnership; the qualifying broker of a limited liability company shall be a manager of the company; and the qualifying broker of a corporation shall be an officer of the corporation. A licensed business entity may serve as the qualifying broker of another licensed business entity if the qualifying broker-entity has as its qualifying broker a natural person who is licensed as a broker. The natural person who is qualifying broker shall assure to the Commission the performance of the qualifying broker's duties with regard to both entities. A provisional broker may not serve as a qualifying broker.

(f) The licensing of a business entity shall not be construed to extend to the licensing of its partners, managers, members, directors, officers, employees or other persons acting for the entity in their individual capacities regardless of whether they are engaged in furthering the business of the licensed entity.

(g) The qualifying broker of a business entity shall assume responsibility for:

(1) designating and assuring that there is at all times a broker-in-charge for each office and branch office of

the entity as “office” and “branch office” are defined in Rule .0110(a) of this Subchapter;

- (2) renewing the real estate broker license of the entity;
- (3) retaining the firm’s current pocket card at the firm and producing it as proof of firm licensure upon request and maintaining a photocopy of the firm license certificate and pocket card at each branch office thereof;
- (4) notifying the Commission of any change of business address or legal or trade name of the entity and the registration of any assumed business name adopted by the entity for its use;
- (5) notifying the Commission in writing of any change of his or her status as qualifying broker within 10 days following the change;
- (6) securing and preserving the transaction and trust account records of the firm whenever there is a change of broker-in-charge at the firm or any office thereof and notifying the Commission if the trust account records are out of balance or have not been reconciled as required by Rule .0117 of this Subchapter;
- (7) retaining and preserving the transaction and trust account records of the firm upon termination of his or her status as qualifying broker until a new qualifying broker has been designated with the Commission or, if no new qualifying broker is designated, for the period of time records are required to be retained by Rule .0108 of this Subchapter;
- (8) notifying the Commission if, upon the termination of his or her status as qualifying broker, the firm’s transaction and trust account records cannot be retained or preserved or if the trust account records are out of balance or have not been reconciled as required by Rule .0117 of this Subchapter; and
- (9) notifying the Commission regarding any revenue suspension, revocation of Certificate of Authority, or administrative dissolution of the entity by the NC Secretary of State within 10 days of the suspension, revocation, or dissolution.

(h) Every licensed business entity and every entity applying for licensure shall conform to all the requirements imposed upon it by the North Carolina General Statutes for its continued existence and authority to do business in North Carolina. Failure to conform to such requirements shall be grounds for disciplinary action or denial of the entity’s application for licensure.

(i) Upon receipt of notice from an entity or agency of this State that a licensed entity has ceased to exist or that its authority to engage in business in this State has been terminated by operation of law, the Commission shall cancel the license of the entity.

A .0110 Broker-in-Charge

- (a) When used in this Rule, the term:
 - (1) “Office” means any place of business where acts are performed for which a real estate license is required or

where monies received by a broker acting in a fiduciary capacity are handled or records for such trust monies are maintained;

(2) “Principal Office” means the office so designated in the Commission’s records by the qualifying broker of a licensed firm or the broker-in-charge of a sole proprietorship; and

(3) “Branch Office” means any office in addition to the principal office of a broker which is operated in connection with the broker’s real estate business.

(b) Except as provided in Paragraphs (d) and (e) of this Rule, every real estate firm, including a sole proprietorship, shall have a broker designated by the Commission as provided in Paragraph (f) of this Rule to serve as the broker-in-charge at its principal office and a broker to serve as broker-in-charge at any branch office. No broker shall be broker-in-charge of more than one office at a time. No office of a firm shall have more than one designated broker-in-charge.

(c) If a firm shares office space with one or more other firms, the same broker may serve as broker-in-charge of multiple firms at that location. All firms at that location having the same designated broker-in-charge shall maintain with the Commission as a delivery address the same delivery address as that of the single designated broker-in-charge.

(d) A licensed real estate firm is not required to have a broker-in-charge if it:

- (1) has been organized for the sole purpose of receiving compensation for brokerage services furnished by its qualifying broker through another firm or broker;
- (2) is treated for tax purposes as a Subchapter S corporation by the United States Internal Revenue Service;
- (3) has no principal or branch office; and
- (4) has no licensed or unlicensed person associated with it other than its qualifying broker.

(e) A broker who is a sole proprietor shall obtain the Commission’s designation of himself or herself as a broker-in-charge if the broker engages in any transaction where the broker is required to deposit and maintain monies belonging to others in a trust account, engages in advertising or promoting his or her services as a broker in any manner, or has one or more other brokers affiliated with him or her in the real estate business. Maintenance of a trust or escrow account by a broker solely for holding residential tenant security deposits received by the broker on properties owned by the broker in compliance with G.S. 42-50 shall not, standing alone, subject the broker to the requirement to designate himself or herself as a broker-in-charge.

(f) A broker desiring to be a broker-in-charge shall request in writing his or her designation as broker-in-charge by the Commission on a form provided by the Commission. The form shall include the broker’s name, license number, firm affiliation, and a certification that he or she possesses the experience described in Subparagraph (g)(2) of this Rule. Upon receipt of notice from the Commission that the broker has been designated as broker-in-charge, the broker shall assume the duties of broker-in-charge.

- (g) To qualify to become a broker-in-charge, a broker shall:
- (1) have a license on active status but not on provisional status;
 - (2) possess at least two years of full-time real estate brokerage experience or equivalent four years of part-time real estate brokerage experience within the previous five years or real estate education, such as the completion of the North Carolina GRI program or other education with a subject matter relating to brokerage practice and the supervision of brokers, or experience in real estate transactions that the Commission finds equivalent to such experience, such as a licensed attorney with a practice that consisted primarily of handling real estate closing and related matters in North Carolina for three years immediately preceding application or full-time, lawful experience selling new homes owned by a corporate homebuilder as a bonafide employee of the corporate home builder for three years immediately preceding the application; and
 - (3) complete the Commission's 12 classroom hour broker-in-charge course either within three years prior to designation as a broker-in-charge or within 120 days following designation as a broker-in-charge.

Upon the request of the Commission, a broker shall provide evidence to the Commission that he or she possesses the requisite experience. A broker-in-charge designation shall be immediately terminated if a broker-in-charge fails to complete the broker-in-charge course during the required time period or if the Commission finds the broker-in-charge does not possess the required experience. A broker who is removed as broker-in-charge for failure to timely complete the Commission's 12 hour broker-in-charge course must first complete the 12 hour broker-in-charge course before he or she may again be designated as broker-in-charge.

(h) By submission of a broker-in-charge designation request to the Commission, a broker certifies that he or she possesses the experience required to become a broker-in-charge and upon designation by the Commission, the broker shall be authorized to act as a broker-in-charge. Upon his or her designation as broker-in-charge and completion of the broker-in-charge course within the time period prescribed in Subparagraph (g)(3) of this Rule, the designated broker-in-charge acquires the eligibility to be re-designated as a broker-in-charge at any time in the future after a period of not actively serving as a broker-in-charge without having to again satisfy the qualification requirements for initial designation stated in this Paragraph so long as the broker continuously satisfies the requirements to retain such eligibility described in Paragraph (k) of this Rule.

(i) The broker-in-charge shall, in accordance with the requirements of G.S. 93A and the rules adopted by the Commission, assume the responsibility at his or her office for:

- (1) the retention of current license renewal pocket cards by all brokers employed at the office for which he or she is broker-in-charge; the display of licenses at such office in accordance with Rule .0101 of this Section; and as-

sure that each broker employed at the office has complied with Rules .0503, .0504, and .0506 of this Subchapter;

- (2) the notification to the Commission of any change of business address or trade name of the firm and the registration of any assumed business name adopted by the firm for its use;
- (3) the conduct of advertising by or in the name of the firm at such office;
- (4) the maintenance at such office of the trust or escrow account of the firm and the records pertaining thereto;
- (5) the retention and maintenance of records relating to transactions conducted by or on behalf of the firm at such office, including those required to be retained pursuant to Rule .0108 of this Section;
- (6) the supervision of provisional brokers associated with or engaged on behalf of the firm at such office in accordance with the requirements of Rule .0506 of this Subchapter;
- (7) the supervision of all brokers employed at the office for which he or she is broker-in-charge with respect to adherence to agency agreement and disclosure requirements.

(j) A broker who was the broker-in-charge of a real estate office on April 1, 2006, whose broker-in-charge declaration was received by the Commission prior to that date, and who completed the Commission's broker-in-charge course prior to April 1, 2006 or within 120 days following designation as a broker-in-charge, may continue to serve as a broker-in-charge thereafter until his or her eligibility to serve as a broker-in-charge is terminated as provided in Paragraph (l) of this Rule.

(k) Once a broker has been designated as a broker-in-charge and completed the 12 hour broker-in-charge course as prescribed by Paragraph (g) of this Rule, the broker may maintain broker-in-charge eligibility by timely annual renewal of his or her broker license and completion each license year of the four hour mandatory continuing education update course for brokers-in-charge known as the "Broker-In-Charge Update Course" described in Rule 58E .0102(b), and any Commission-approved four hour continuing education elective course described in Rule 58E .0305. The Broker-In-Charge Update Course shall be taken initially by a broker-in-charge during the first full license year following the license year in which the broker was designated as a broker-in-charge and each license year thereafter in order for the broker to maintain broker-in-charge eligibility. Enrollment in the Broker-In-Charge Update Course shall be limited exclusively to current brokers-in-charge, and brokers who are not currently acting as a broker-in-charge but who desire to retain their broker-in-charge eligibility. Only these brokers shall receive continuing education credit for taking the Broker-In-Charge Update Course. A broker-in-charge or broker who is broker-in-charge eligible who takes the General Update Course described in Rule .1702 of this Subchapter rather than the Broker-In-Charge Update Course shall receive continuing education update course credit for taking such course only for the purpose of retaining his

or her license on active status and shall not be considered to have satisfied the requirement to take the Broker-In-Charge Update Course in order to retain his or her broker-in-charge status or eligibility.

(l) A broker's broker-in-charge eligibility and, if currently designated as a broker-in-charge, his or her broker-in-charge designation shall be terminated upon the occurrence of any of the following events:

(1) the broker's license expires or the broker's license is suspended, revoked or surrendered;

(2) the broker's license is made inactive for any reason;

(3) the broker fails to complete the Broker-In-Charge Update Course described in Paragraph (k) of this Rule; or

(4) the broker is found by the Commission to have not possessed the experience required in Paragraph (g) of this Rule at the time of either initial designation as a broker-in-charge or re-designation as a broker-in-charge.

(m) When a broker who is a former broker-in-charge desires to be re-designated as a broker-in-charge following termination of his or her broker-in-charge designation or eligibility, he or she must first have a license on active status. The broker then must satisfy the experience requirements for initial designation set forth in Paragraph (g) of this Rule, and the broker must complete the 12 hour broker-in-charge course prior to re-designation as broker-in charge.

(n) A broker-in-charge shall notify the Commission in writing that he or she no longer is serving as broker-in-charge of a particular office within 10 days following any such change.

(o) A non-resident broker who has been designated by the Commission as the broker-in-charge of an office not located in North Carolina is not required to complete the broker-in-charge course or the Broker-In-Charge Update Course prescribed for brokers-in-charge under Paragraph (k) of this Rule. However, if such broker-in-charge either becomes a resident of North Carolina or becomes broker-in-charge of an office located within North Carolina, then he or she must take the 12 hour broker-in-charge course within 120 days of such change, unless he or she has taken the 12 hour course within the preceding three years. Such broker-in-charge shall take the Broker-In-Charge Update Course prescribed in Paragraph (k) of this Rule during the first full license year following the change and each license year thereafter so long as the broker-in-charge remains a resident of North Carolina or continues to manage an office located in North Carolina.

(p) A nonresident commercial real estate broker licensed under the provisions of Section .1800 of this Subchapter shall not act as or serve in the capacity of a broker-in-charge of a firm or office in North Carolina.

A .0506 Provisional Broker to be Supervised by Broker

(a) This Rule shall apply to all real estate provisional brokers.

(b) A provisional broker may engage in or hold himself or herself out as engaging in activities requiring a real estate li-

cense only while his or her license is on active status and he or she is supervised by the broker-in-charge of the real estate firm or office with which the provisional broker is affiliated. A provisional broker may be supervised by only one broker-in-charge at a time.

(c) Upon a provisional broker's affiliation with a real estate broker or brokerage firm, the broker-in-charge of the office where the provisional broker will be engaged in the real estate business shall immediately file with the Commission a provisional broker supervision notification on a form provided by the Commission containing identifying information about the provisional broker and the broker-in-charge, a statement from the broker-in-charge certifying that he or she will supervise the provisional broker in the performance of all acts for which a license is required, the date that the broker-in-charge assumes responsibility for such supervision, and the signature of the broker-in-charge. If the provisional broker is on inactive status at the time of associating with a broker or brokerage firm, the broker-in-charge shall also file, along with the provisional broker supervision notification, a request for license activation on a form provided by the Commission containing identifying information about the provisional broker, the statement of the broker-in-charge that he or she has verified that the provisional broker has satisfied the continuing education requirements prescribed by Rule .1703 of this Subchapter, and the postlicensing education requirements, if applicable, prescribed by Rule .1902 of this Subchapter, the date of the request, and the signature of the proposed broker-in-charge. Upon the mailing or delivery of the required form(s), the provisional broker may engage in real estate brokerage activities requiring a license under the supervision of the broker-in-charge; however, if the provisional broker and broker-in-charge do not receive from the Commission a written acknowledgment of the provisional broker supervision notification and, if appropriate, the request for license activation, within 30 days of the date shown on the form, the broker-in-charge shall immediately terminate the provisional broker's real estate brokerage activities pending receipt of the written acknowledgment from the Commission. If the provisional broker and broker-in-charge are notified that the provisional broker is not eligible for license activation due to a continuing education or postlicensing education deficiency, the broker-in-charge shall cause the provisional broker to immediately cease all activities requiring a real estate license until such time as the continuing education or postlicensing education deficiency is satisfied and a new provisional broker supervision notification and request for license activation is submitted to the Commission.

(d) A broker-in-charge who certifies to the Commission that he or she will supervise a provisional broker shall actively and directly supervise the provisional broker in a manner that reasonably assures that the provisional broker performs all acts for which a real estate license is required in accordance with the Real Estate License Law and Commission rules. A supervising broker who fails to supervise a provisional broker as prescribed in this Rule may be subject to disciplinary action by

the Commission.

(e) Upon the termination of the supervisory relationship between a provisional broker and his or her broker-in-charge, the provisional broker and the broker-in-charge shall provide written notification of the date of termination to the Commission not later than 10 days following said termination.

A .0103 Broker Name and Address

(a) Upon initial licensure, every broker shall notify the Commission of the broker's current personal name, firm name, trade name, residence address, firm address, telephone number, and email address. All addresses provided to the Commission shall be sufficiently descriptive to enable the Commission to correspond with and locate the broker.

(b) Every broker shall notify the Commission in writing of each change of personal name, firm name, trade name, residence address, firm address, telephone number, and email address within 10 days of said change. A broker notifying the Commission of a change of legal name or firm name shall also provide evidence of a legal name change for either the individual or firm, such as a court order or name change amendment from the Secretary of State's Office.

(c) In the event that any broker shall advertise or operate in any manner using a name different from the name under which the broker is licensed, the broker shall first file an assumed name certificate in compliance with G.S. 66-71.4 and shall notify the Commission in writing of the use of such a firm name or assumed name. An individual broker shall not advertise or operate in any manner that would mislead a consumer as to the broker's actual identity or as to the identity of the firm with which he or she is affiliated.

(d) A broker shall not include the name of a provisional broker or an unlicensed person in the legal or assumed name of a sole proprietorship, partnership, or business entity other than a corporation or limited liability company. No broker shall use a business name that includes the name of any current or former broker without the permission of that broker or that broker's authorized representative.

The information provided here is only a summary. For a complete description of the qualifications and responsibilities of a broker-in-charge, please review Commission Rule A.0110.

QUALIFICATIONS

The broker-in-charge of an office is designated by the Qualifying Broker of the real estate firm for which he/she wishes to serve as broker-in-charge. To qualify as a broker-in-charge, a broker cannot be a provisional broker and must:

1. possess at least two years of full-time real estate brokerage experience or equivalent part-time real estate brokerage experience within the previous five years or real estate education or experience in real estate transactions that the Commission finds equivalent to such experience; and
2. complete the Commission's *12-hour Broker-in-Charge Course* either within three years prior to designation as a broker-in-charge or within 120 days following designation.

SPECIAL NOTE: If you have lost broker-in-charge eligibility, then before you send this form to re-declare as broker-in-charge, Commission Rule A.0110 requires you to complete the following steps in the prescribed order:

(*Note that you must have the experience required for initial designation.)

1. Take the necessary steps to return your license to active status, i.e., pay reinstatement fee and/or complete required education:
2. File the Activate License form (REC 2.08):
3. Complete the Commission's *12-hour Broker-in-Charge Course*: and
4. File the BIC Declaration form (REC 2.04).

If you wish to request a waiver of experience based on education or actual experience, contact the Education and Licensing Division (919-875-3700) for instructions.

BIC RESPONSIBILITIES

The broker-in-charge must actively manage the office for which he/she has been designated broker-in-charge and assume responsibility at the office for:

1. the retention of current license renewal pocket cards by all brokers employed at the office for which he/she is broker-in-charge; the proper display of licenses at such office in accordance with Rule .0101; and assuring that each broker employed at the office has complied with Rule .0503, .0504, and .0506.
2. the proper notification to the Commission of any change of business address or trade name of the firm and the registration of any assumed business name adopted by the firm for its use;
3. the proper conduct of advertising by or in the name of the firm at such office;
4. the proper maintenance at such office of the trust account or escrow account of the firm and the records pertaining thereto;
5. the proper retention and maintenance of records relating to transactions conducted by or on behalf of the firm at such office;
6. the proper supervision of provisional brokers associated with or engaged on behalf of the firm at such office;
7. the proper supervision of all licensees employed at the office for which he/she is broker-in-charge with respect to adherence to agency agreement and disclosure requirements;
8. the proper notification to the Commission of any change in his or her status as broker-in-charge within 10 days following such change;
9. his/her annual attendance of the *Broker-in-Charge Update (BICUP) Course* prescribed by the Commission for brokers-in-charge.



NORTH CAROLINA REAL ESTATE COMMISSION

P.O. Box 17100
Raleigh, N.C. 27619-7100
Phone (919) 875-3700 • www.ncrec.gov

FOREIGN
(OUT OF STATE)
FIRMS ONLY

Consent to Service of
Process and Pleadings

I.

Authorization to Execute Consent to Service

The (Corporation) board of directors, (Partnership) general partner(s), (Limited Liability Company) manager(s) of the applicant firm hereby authorizes the person named in Section II to execute this form in connection with the firm's application for a North Carolina real estate firm license.

(Name of Corporate Officer, General Partner(s), or Manager) (Please Type or Print) (Title)
(Signature) (Date)

Attested by: Secretary (if applicable) (Signature)

II.

Consent to Service of Process and Pleadings

Know all men by these presents:

Pursuant to the requirements of Chapter 93A of the General Statutes of North Carolina, the undersigned individual(s) acting for and on behalf of the firm named in this application for licensure does hereby irrevocably consent, stipulate and agree that suits, actions and administrative proceedings may be commenced against such firm or any licensed real estate broker employed by or associated with the firm in the courts and agencies of this State, by the service of any process or pleading authorized by the laws of this State on the Executive Director of the North Carolina Real Estate Commission, and that service of such process or pleadings on said Director shall be taken and held in all courts to be as valid and binding as if the service had been made upon said firm in the State of North Carolina.

(Name of Person Executing Consent) (Please Print) (Street Address of Person Executing Consent)
(Title of Person Executing Consent) (City) (State) (Zip)
(Signature of Person Executing Consent) (Phone) (Fax)

* * * * *

State of (AFFIX SEAL)
County of

Before me personally appeared the individual(s) named in Section II of this form who acknowledged the execution of the foregoing instrument for the purpose set forth therein.

Witness my hand and official seal, this day of
My Commission expires (Notary Public)