

## Broker-in-Charge's Representation Form

Pursuant to the policy of the North Carolina Real Estate Commission ("Commission"), a Broker-in-Charge/real estate firm may seek exemption from the spot inspection of trust accounts authorized by N.C.G.S. §93A-6(d) by having a CPA or CPA firm perform an examination pursuant to the *Agreed Upon Procedures for CPA Examination of Real Estate Brokerage Trust Account(s)*("Procedures") to provide information to the Broker-in-Charge and the Commission regarding the management of the real estate brokerage trust account(s). As a condition of the exemption, the Broker-in-Charge must make certain representations regarding the management of fiduciary funds held in trust and any personal funds permitted under the Commission's rules. **This representation form and any attachments must be provided to the CPA/CPA firm prior to commencement of the examination and must be attached to the CPA report sent to the Commission.**

\_\_\_\_\_, hereafter "Broker-in-Charge", must attach a list of all bank accounts into which Broker-in-Charge has deposited client or other fiduciary funds, including all general, dedicated, and fiduciary trust accounts (Attachment 1). This list must include the name and address of each bank along with the bank account numbers.

### Broker-in-Charge's Representations

I hereby certify personally that the account(s) listed in Attachment 1 is/are the only trust account(s) to which such I (or anyone acting on behalf of me or the licensed brokerage firm identified below and for which I am designated as Broker-in-Charge) has had access during the past year, that the records and documents provided to \_\_\_\_\_, hereafter CPA, are the full and accurate records of the trust accounts and, further, with respect to transactions occurring during the past year, that the following statements are true:

- 1) The Broker-in-Charge/firm does not maintain any trust or escrow accounts outside the state of North Carolina.
- 2) The Broker-in-Charge/firm is unaware of any trust/escrow account misappropriation.
- 3) The Broker-in-Charge/firm retains required trust account records for at least the three (3) year period immediately preceding the most recent fiscal year end.
- 4) The Broker-in-Charge understands that this exemption applies only to this Broker-in-Charge and the named Firm and exists for a period of one year or for so long as the Broker-in-Charge is continually designated as Broker-in-Charge of the named Firm, whichever is shorter. Should the Broker-in-Charge cease to be the designated Broker-in-Charge of the named Firm prior to the end of the one-year period of exemption, the exemption shall no longer be valid for either the named Firm or the Broker-in-Charge.
- 5) The Broker-in-Charge/firm has not used or pledged any entrusted property to obtain credit or other personal financial benefit for the Broker-in-Charge, the firm, or any other person other than the legal or beneficial owner of that property.
- 6) Entrusted properties belonging to a client received by the Broker-in-Charge/firm are promptly identified and labeled as the property of the client or customer.
- 7) Entrusted property not immediately deposited in a trust account or escrow account when received by Broker-in-Charge/firm is placed in a place of safekeeping as soon as practical. Specifically, it is placed in:

N/A     Safe Deposit Box     Office Safe     Other \_\_\_\_\_

- 8) The Broker-in-Charge/firm promptly notifies client/customer of the receipt of any funds or property belonging in whole or in part to client/customer.
- 9) Where the funds received are a mix of trust funds and non-trust funds, the deposit is made to the trust account intact and the non-trust portion is withdrawn when the bank credits the account upon final settlement or payment of the instrument.
- 10) Written accountings are provided to client/customer monthly and at completion of disbursement or as otherwise may be required by law.
- 11) The Broker-in-Charge/firm has not earned interest on the trust account or fiduciary account which was not authorized in a written agency agreement.

This the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Broker-in-Charge [print name]

By \_\_\_\_\_  
[Signature]

Sworn to and subscribed to before me this the \_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Notary Public