

BROKER-IN-CHARGE REQUIREMENTS

- 1) I got my broker license in 1995 and worked for a brokerage company until 2007/08 when I had to find other employment due to the market. I've renewed my license every year and done my CE, even though I wasn't using my license. With the market improving these days, I've been approached by several friends to help them sell or buy, so I'd like to open my own office. What must I do?
- 2) I want to be a BIC, so I took the 12 hour BIC Course in April 2014 while I was an associated broker with QRS Realty. I left them in October 2014 to open my own sole proprietorship working out of my home. I took the Broker-in-Charge Update (BICUP) in May 2015 and received a notice from the Commission that I would not receive credit for the class. Why not?

Learning Objective: After completing this Section, you should be able to explain:

- 1) the qualification requirements to become a broker-in-charge (BIC);
- 2) how to attain and maintain BIC-eligibility; and
- 3) what you must do to regain BIC status if you lose BIC-eligibility.

BROKER-IN-CHARGE QUALIFICATION REQUIREMENTS **OR "HOW TO BECOME A BIC"**

The requirements to initially become a BIC have not changed since April 1, 2006. Both the law [G.S. 93A-4.2] and the Broker-in-Charge rule [Rule A.0110(g)] require a broker to satisfy the following four criteria to *qualify* initially to declare as a BIC.

To *qualify* to declare yourself a BIC, you must:

1. have an active broker license not on provisional status;
2. have two years full-time brokerage experience (4000 hours), or equivalent part-time experience, within the preceding five years, or other real estate education or experience the Commission deems equivalent;
3. send the Commission a signed Broker-in-Charge Declaration form (REC 2.04);
and
4. take the Commission's 12 hour Broker-in-Charge Course within 120 days of declaring *unless* the broker has completed the course within three years prior to declaring.

Required Experience

Unlike some States, North Carolina doesn't require actual and substantial brokerage experience to upgrade from a provisional broker (salesperson) to a full broker. However, if a broker wants to serve as a BIC, then as a *prerequisite*, s/he minimally must have two years of full time experience representing consumers in real estate sales, lease or exchange transactions. Typically, this experience must be gained as an affiliated broker with a real estate company under a BIC's supervision because the broker gaining the experience doesn't qualify to be a BIC yet and thus can't have an office or be independent.

License Law (**G.S.93A-4.2**) requires the broker to 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...."

The broker-in-charge rule [Rule A.0110(g)] is nearly identical to the statute, although it was expanded as of July 1, 2014 to clarify what "other real estate education and experience" might be deemed equivalent. The rule is printed in its entirety at the end of this Section, but paraphrased, it requires the following experience, either:

- 2 years full time real estate brokerage experience within the previous 5 years, or
- equivalent 4 years of part-time brokerage experience within the previous 5 years.

What is full-time brokerage experience? The intent is that brokerage be the individual's primary form of employment through which s/he is trying to earn a living. Accordingly, the rough formula is:

50 weeks/year at 40/hours per week = 2000 hours/year x 2 years = ***4000 hours total***.

Thus, when a broker can honestly say that s/he has *4000 hours of brokerage experience within the preceding five years*, that broker may request to be designated a broker-in-charge. The vast majority of brokers requesting designation do so based on experience.

Query: Does the broker in the opening scenario whose license has been on active status, but who has been working in a non-brokerage vocation since 2008, qualify to become a BIC?

No, as s/he has no actual brokerage experience in the past 7 years. The broker may create and own a real estate company, but s/he must hire a broker to serve as his/her broker-in-charge. The owner-broker could then affiliate with his/her company under the hired BIC to gain the necessary experience to qualify to be a BIC after two years.

Required Education

Taking the 12 hour BIC Course will **not** make you a BIC. It may help prepare you to become a BIC and you will be required to take it at some point if you declare, but ***you will never be a BIC (or BIC-eligible) until you send the BIC Declaration form (REC 2.04) to the Commission.*** End of story.

Any licensee may take the 12 hour BIC Course and receive 4 hours of continuing education *elective* credit. If you haven't already declared as BIC at the time you take the class, then so long as you send the Commission your BIC Declaration form *within three years of completing the class*,

you will not be required to repeat the 12 hour class. If you don't send the form to declare as BIC until more than three years after completing the class, then you will be required to take the 12 hour class within 120 days of declaring.

Example: Broker who has never been a BIC completes the 12 hour BIC Course on March 11, 2015. The broker must declare as BIC by sending the Commission a BIC Declaration form (REC 2.04) prior to March 10, 2018 to avoid repeating the class. If the broker first declares as a BIC by sending the form *after* March 11, 2018, s/he will be required to complete the 12 hour BIC course within 120 days of declaring, as it's been more than three years since s/he last completed the class.

A broker who must, but fails to complete the 12 hour BIC Course within 120 days after declaring will be *removed as BIC by the Commission* and won't be able to redeclare as BIC anywhere until s/he first completes the 12 hour BIC Course. This is true ***only when the BIC is removed by the Commission*** due to the broker's failure to timely satisfy the second BIC qualification requirement, i.e., education, as required by License Law and Rule A.0110.

“Temporary BIC”

A broker who agrees to serve as BIC of an office temporarily due to some urgent need who is *replaced as BIC by another broker before his/her 120 days expires* will no longer be required to take the 12 hour BIC Course because s/he no longer is acting as a BIC. However, that *broker won't be BIC-eligible* because s/he never completed the second qualification requirement, i.e., take the 12 hour course. Understand as well that if the broker takes the 12 hour BIC Course after stepping down, s/he will receive 4 hours of elective CE credit, but s/he still won't be BIC-eligible because s/he's taking the class at a time when s/he is not a BIC.

Summary

Once a broker no longer is on provisional status, then the only *prerequisite* to that broker declaring him/herself a BIC is that s/he can honestly say that s/he has the equivalent of two years full time brokerage experience within the past five years. The educational component is not a prerequisite; rather, a broker may declare as BIC so long as s/he has the experience, and then complete the education within the 120 day window. The only time the 12 hour course must be completed *prior to designation* is either when:

- 1) the Commission removes the broker as BIC because s/he failed to complete the 12 hour BIC course within 120 days of declaring,
- or*
- 2) the broker had BIC-eligibility and lost it.

HOW TO BECOME “BIC-ELIGIBLE”

Understand that “BIC-eligible” is now a defined term. ***A broker will never be BIC-eligible until s/he has sent the Commission a Broker-in-Charge Declaration form (REC 2.04) AND satisfied all qualification requirements, i.e., experience plus education.*** Rather than ask “Am I eligible to become a BIC?” licensees should ask: “Do I *qualify* to become a BIC?”

You achieve BIC status by sending the Commission a BIC Declaration form (REC 2.04) requesting that you be designated as a BIC at a specific address for a stated real estate company. However, you won't "perfect" your BIC status and become ***BIC-eligible*** until after you have satisfied all qualification requirements, namely:

1. have a full broker license on active status and at least 4000 hours of brokerage experience within the preceding five years
and
2. send the BIC Declaration form to the Commission
and
3. complete the Commission's 12 hour BIC Course either:
 - A) within the three years prior to declaring,
 - or
 - B) within 120 days after declaring as BIC.

UNDERSTAND that merely taking the 12 hour BIC Course *when you are not a BIC* will **NOT** automatically make you a BIC. It will help prepare and qualify you to become a BIC, but you will never be a BIC until you notify the Commission you want to be a BIC by submitting the Declaration form (REC 2.04 - available on the Commission's website). Why? Because the Commission can't read minds – where do you want to be a BIC? At what address? For what company?

Why wasn't the licensee in the second opening scenario a BIC? Because she never told the Commission that she wanted to be a BIC by completing, signing and sending the BIC Declaration form. She or her former BIC may have notified the Commission that she no longer was affiliated with that company, but ***she never formally created or established an office for her company by submitting the Declaration form to designate a BIC.***

By signing the BIC Declaration form, a broker certifies/attests that s/he has an active non-provisional broker license, possesses the required experience, and will fulfill his/her BIC duties. Thus, a broker perfects BIC status and becomes BIC-eligible in one of two ways, either:

1. You send the Commission the BIC Declaration form and begin to serve as the BIC. You complete the 12 hour BIC Course within 120 days of declaring while still serving as the BIC. Your BIC status will be perfected upon the posting of the 12 hour BIC Course to your CE record (completion of the second qualification requirement). Only then will you become BIC-eligible.

OR

2. You take the 12 hour BIC Course both for its information and CE elective credit. You later send the BIC Declaration form to the Commission within three years of taking the class. Upon the Commission's receipt of the BIC Declaration form (REC 2.04) you will have both initiated and perfected your BIC status and will immediately become BIC-eligible because you've satisfied the two qualification requirements (experience + 12 hour BIC Course).

Two Paths to BIC-Eligible Status

1. Achieve required experience AND Broker status
2. Submit BIC Declaration form
Now BIC
3. Take 12-hour BIC course within 120 days of designation
***Now BIC
AND BIC-Eligible***

OR

1. Achieve required experience AND Broker status
2. Take 12-hour BIC course
3. Submit BIC Declaration form within 3 years of course completion
***Now BIC
AND BIC-Eligible***

Benefits of BIC-Eligibility

BIC-eligibility allows a broker to step down as a BIC, whether for a few weeks or months or years, and later resume BIC responsibilities by sending another BIC Declaration form to the Commission, without the broker having to take the 12 hour BIC Course again, even if it was taken more than three years ago. *This is true only if the broker maintains his/her BIC-eligibility by timely renewing his/her license each year and doing the correct CE, namely, the BICUP and any approved elective.*

How to Maintain BIC-Eligible Status

Once a broker attains BIC-eligible status as discussed above, s/he may maintain that status indefinitely by:

- 1) renewing his/her license by June 30 each year
and
- 2) completing by June 10 at least one approved elective each year *and* the **BICUP (Broker-in-Charge Update)** course for his/her mandatory Update *beginning the first full license year after the license year in which the broker declared and every year thereafter.*

A broker must continue taking the BICUP and an elective every license year after declaring *even when not actively serving as a BIC* in order to maintain his/her BIC eligibility. ***Failure to take the BICUP in any given year will result in loss of BIC status and/or BIC-eligibility.***

NOTE: a broker may take the General Update as his/her elective in the license year in which the broker declares as a BIC, because s/he is not *required* to begin taking the BICUP each year until the first full license year after the license year in which the broker declared, i.e., sent Form REC 2.04 to the Commission. The broker may choose to take the BICUP in the year in which s/he declares and will receive credit for the course *so long as s/he has BIC status at the time s/he takes the course.* A

broker who doesn't have BIC status or eligibility at the time s/he takes the BICUP will *not* receive any continuing education credit for the course.

Example

A broker sends the BIC Declaration form to the Commission on April 20, 2015 and completes the 12 hour BIC Course on August 5, 2015.

- 1) When did the broker achieve BIC status?
- 2) Has the broker become BIC-eligible? If so, when?
- 3) When must the broker begin taking the BICUP?
- 4) What Update course should the broker have taken no later than June 10, 2015?

Loss of BIC-Eligibility

Once you attain BIC-eligibility, you will lose your BIC status or BIC-eligibility if you ever have a license you can't use. In other words, you will lose your BIC status/eligibility if either:

- 1) your license becomes inactive, expired, surrendered, suspended or revoked,
or
- 2) you fail to take the BICUP as your mandatory Update in any license year following the license year in which you declared as BIC.

A broker who attains, but later loses, BIC eligibility won't be able to immediately redeclare as BIC. Instead, s/he must take the following steps ***in the order indicated***.

1. Do whatever is necessary to return your license to active status, i.e., pay to reinstate an expired license and complete any CE required to reactivate. [See Section Five.]
then
2. Send the Commission the activation/affiliation form (REC 2.08) requesting that your license be returned to active status,
then
3. Complete the Commission's 12 hour BIC Course *regardless of when you last took it* — whether 6 months ago or 8 years ago.
Only ***after*** completing Steps 1-3 above may you then:
4. Send the Commission a BIC Declaration form (REC 2.04) asking to be redesignated as BIC at a particular location.

Understand that a BIC who allows his/her license to expire or go inactive on July 1 will take the office down with him/her unless a replacement BIC is designated by sending REC 2.04 to the Commission prior to June 28 to allow time to process the Declaration form. *Lack of a BIC will close the office and all the associated brokers will be transferred to their home addresses on Commission records.* The full brokers will still be on active status, but no longer affiliated with the company, and all provisional brokers will be on inactive status (even though they did their education and paid their renewal fee) because they don't have a BIC.

NOTE: Hiring a temporary BIC to keep the office open may work if the company is a sole proprietorship, but it won't work if the company is an entity and the BIC who allowed his/her license to go inactive is also the *qualifying broker* of the real estate company. Why? Because so long as the broker's individual license is on inactive status, the company's firm license will also be on inactive status because it doesn't have a qualifying broker, *i.e.*, an officer, manager or general partner with an active NC broker license. Translation: because the company doesn't have a license it can use (*i.e.*, it's inactive), the company no longer has any offices anywhere nor any affiliated brokers.

Answers to Questions p. 102:

- 1) Shortly after April 20, 2015, as soon as the Commission received and processed the Declaration form.
- 2) Yes, as soon as the 12 hour BIC Course posted to his/her CE record on or about August 6, 2015.
- 3) Between July 1, 2015 and June 10, 2016, as s/he declared during the 2014-2015 license year, *i.e.*, 4/20/2015.
- 4) If the Broker took an Update Course prior to April 20/21, 2015, then s/he should have taken the **General** Update. If s/he took the BICUP prior to April 20/21, 2015, s/he would not have received credit, as the broker hadn't initiated BIC status yet by sending the Declaration form. Once s/he sent the form on April 20 and became a BIC (though not yet BIC-eligible), the broker could have taken *either* the General Update or the BICUP for credit between April 21-June 10, 2015.

What if the broker in the foregoing Example, took the 12 hour BIC Course on August 5, 2015 and completed the BICUP on April 23, 2016, but failed to pay the \$45.00 renewal fee by midnight on June 30, 2016?

- 1) What is the status of the broker's license as of 12:01a.m. July 1, 2016?
- 2) Is s/he still a BIC?
- 3) What must the broker do to regain BIC status?

Answers:

- 1) His/her license will expire on July 1, 2016.
- 2) No. S/he will be removed as both BIC and BIC-eligible by the Commission on July 1, 2016. The office will no longer exist in Commission records and thus that office won't have any affiliated agents.
- 3) The broker must:
 - A) pay \$55 to *reinstate* the former license;
then
 - B) send an activation form (REC 2.08) to *reactivate* her license. (She may do this only because s/he *had* 8 hours of CE, including an Update course, in 2015-2016);
then

- C) take the 12 hour BIC Course *even though s/he just had it in August 2015*,
then, **only after completing the above**, may the broker
D) send the BIC Declaration form (REC 2.04) to redeclare as BIC.

Practical Application

The following scenario and questions are provided to illustrate and apply the requirements discussed in this Section.

FACTS: Sandra has been an associated broker with Super Realty for six years. She has never been a BIC nor has she ever taken the 12 hour BIC Course. Her broker-in-charge, Deborah, is planning a 60 day vacation and has asked Sandra to serve as BIC of her office with 11 associated brokers during Deborah's absence.

Sandra completes and mails the BIC Declaration form to the Commission on August 11, 2015 requesting designation as BIC replacing Deborah. Sandra receives a letter from the Commission informing her that she is now BIC and that she must take the 12 hour BIC Course by December 9, 2015. Sandra doesn't take the 12 hour BIC Course. Deborah returns from vacation on October 15, 2015 and redeclares herself as BIC replacing Sandra.

1. Must Sandra still take the 12 hour BIC Course?

No, because she no longer is a BIC.

2. Is Sandra now BIC-eligible?

No, because she never completed the second qualification requirement, i.e., the 12 hour class.

3. Must Deborah complete any education to resume being the BIC?

No, because she has maintained her eligibility throughout by timely renewing her license and doing the correct CE every year, i.e., BICUP plus at least one approved elective.

4. If Deborah went on family medical leave in March 2016, could she ask Sandra to be BIC of her office again?

Yes.

5. How much time would Sandra have to take the 12 hour BIC Course after she sends in her Declaration form the second time?

Sandra would have a fresh **120 days** within which to take the 12 hour BIC class, because previously she was voluntarily replaced as BIC *before her 120 days expired*, rather than being removed by the Commission for failure to take the class within 120 days while still acting as a BIC. If Sandra takes the 12 hour BIC course while still serving as BIC, when she steps down after Deborah's return then she *will* be BIC-eligible because she has satisfied the remaining BIC qualification requirement, i.e., education.

6. After stepping down as BIC October 15, 2015, Sandra decides to take the 12 hour BIC Course on December 2-3, 2015.

- A) Does Sandra receive any CE credit for the course?
She receives four hours of elective CE course credit.
- B) Does Sandra become BIC-eligible once the 12 hour BIC Course posts to her CE record?
No, because she is not a BIC at the time she takes the class.
- C) When Sandra sends the second BIC Declaration form in March 2016, what will her status be?
Upon the Commission's receipt of Sandra's Declaration form, she will be both BIC and BIC-eligible as she has satisfied both qualification requirements, experience plus education. Whenever Sandra steps down the second time, whether after a few days, weeks, or months, she will be BIC-eligible and can maintain that eligibility indefinitely by renewing her license before June 30 and taking the BICUP and an elective each year.

21 NCAC 58A .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 assuring 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.