

SECTION TWO

TEAMING UP?



1. What is a “team” within a real estate brokerage company?
2. What are the advantages and disadvantages of being on a team?
3. What challenges have you encountered when working with teams at cooperating firms?

LEARNING OBJECTIVES

After completing this Section, you should be able to:

- describe various team structures;
- recognize when a team structure requires a firm license and/or a broker-in-charge;
- explain advertising considerations for teams within real estate brokerage firms; and
- explain how team membership may affect relationships with other brokers or consumers.

INTRODUCTION

Over the last several years, the concept of real estate “teams” has become increasingly popular in real estate brokerage practices throughout the country. What is a team?

*A **team** is a group of people with different skills and tasks who work together on a common project, service, or goal coordinating functions and cooperating and supporting each other to accomplish the common goal.*

By pooling resources and energies, a team can reach production levels that a broker could not achieve independently, since time is limited.

A team may start with a successful broker who solicits both listings and buyer-clients who then adds an assistant to stay organized ... and then incorporates another broker to act as a buyer agent to work with all buyer-clients of the team. The team may expand to include a “closing coordinator” and another broker who oversees all the listings. The team originator may focus on marketing and promoting the team’s services and soliciting sellers and buyers for his/her team members. Part of the concept is that the consumer is not hiring just one broker, but a team that provides multiple contact persons and various team members to assist the consumer at different points in the transaction.

Team Structure

How a team is organized can vary greatly; there is no precise formula. Teams may run the gamut from several brokers or provisional brokers who agree to collaborate and have production reported under one broker's name but who still are all affiliated only with one company under one BIC, to a team that forms a legal entity and obtains a firm broker license, yet wants to work within or under another licensed real estate company, often a franchise.

How a licensee chooses to structure his/her team is up to the licensee, but these choices have different consequences.

As we will see, the two key questions are:

1. Has a licensee created a licensed entity (corporation/LLC)?
and
2. If yes, is the name of the licensed entity used in the team's advertising and by whom?

Three Scenarios

In the following pages we will explore three possible team scenarios. In all three scenarios, XYZ Realty, Inc., a franchise, is the main company with Betty Biggs designated as the firm's broker-in-charge of an office. Betty has a total of 16 agents affiliated with her office, five of whom are forming a "team." The question is: ***how does the team's organizational structure and advertising impact what it must do to comply with Real Estate License Law and Commission rules?***



TEAM SCENARIO 1: VOLUNTARY COOPERATION ONLY

Betty has a total of 16 agents affiliated with XYZ Realty at her office location. (See Graphic 1.) Seth Starr is a high-producing agent with XYZ Realty. Seth wants to leverage time and skill sets to continue growing his brokerage business, so he recruits four brokers, also affiliated with XYZ Realty, to work together with him on transactions. This "team" will be known as the "Seth Starr Team of XYZ Realty." So long as Seth does *not* create a business entity (e.g., a corporation, limited liability company (LLC), or partnership), he and all team members still have only one official affiliation and that is with XYZ Realty under Betty as BIC.

XYZ Realty is the party to all agency agreements with consumers and Betty is responsible for all broker-in-charge duties for all of her 16 affiliated agents, including Seth and his team members. The team's advertising as the "Seth Starr Team of XYZ Realty" is primarily for "branding" purposes. So long as: *1) the team's name is not the legal or assumed name of an entity, and 2) the team's advertising (e.g., signs, business cards, websites, etc.) includes the name of the brokerage firm with which the agents are affiliated (XYZ Realty), the team's structure and its advertising comply with License Law and Commission rules.*

Seth and his four team brokers will continue to receive their brokerage compensation directly from Betty, their only BIC. The compensation amount or percentage paid to each broker team member may or may not be equal.

TEAM SCENARIO 1: Voluntary Cooperation Only



FOR DISCUSSION

1. Does the organizational structure of the Seth Starr Team require a firm license? _____
2. What company name would team members use when completing agency disclosures and agreements with consumers? _____
3. How may the team members identify themselves in their advertising? _____
4. From whom do all brokers on the team receive their commission checks? _____

2

TEAM SCENARIO 2: ENTITY FOR COMPENSATION ONLY; NO ADVERTISING IN ENTITY NAME.

[**Editor's Note:** All 16 licensees remain affiliated with Betty in all three scenarios, but to enhance clarity of the visual aids, the 11 non-team agents are omitted in Graphics 2 and 3.]

Seth's tax advisor recommends that Seth create a corporation or LLC to receive his commissions for various tax reasons. Seth creates "Best Brokers, Inc." and files the appropriate documents to register his corporation with the NC Secretary of State (NCSOS), Corporations Division. Seth is the only shareholder and officer in his corporation and has formed it primarily for tax purposes so Betty can pay Seth's commissions to his corporation, rather than paying Seth directly as an independent contractor.

However, compensation for real estate brokerage activity may only be paid to a licensed person or entity. **BEFORE** Betty may pay Seth's brokerage commissions to his newly formed corporation, **Seth must first obtain a real estate firm license** for his corporation. The fact that Seth has an individual broker license allows Betty to pay Seth, not Seth's entity. If Seth wants his entity to receive income from real estate brokerage activity, then the entity must also have an active broker license. Otherwise, Betty, XYZ Realty, and Seth's entity would all violate License Law with each payment made to Seth's unlicensed corporation.

Note: Any business entity *other than* a sole proprietorship must have a current real estate firm license on active status to receive compensation for brokerage services.



BIC ALERT: Betty should ask to see a copy of the firm license for Seth's corporation before she begins paying commissions to his entity. She also should confirm each June that Seth not only renews his individual broker license, but his firm's license as well. She can check the status of both licenses at the Commission's website. Firm license application forms (REC 1.72) are available on the Commission's website under "Forms" and then "Applications."

TEAM SCENARIO 2: Entity for Compensation Only (No Advertising of Entity Name)



What is a “qualifying broker” (QB) and why must Seth be one?

To qualify for licensure, an entity must have a qualifying broker - a role different from the role of broker-in-charge (although one person may serve as both the QB for the firm and as BIC at one office location). Commission Rule A.0502(b) requires that the qualifying broker be a “full” broker* who has an active license and is:

- an officer of a corporation, **or**
- a manager of a limited liability company, **or**
- a general partner of either a general or a limited partnership.

* The rule expressly states that provisional brokers cannot serve as qualifying brokers.

Does Seth also have to be a BIC of his licensed company?

The general rule is that every entity must have a BIC for every office location. However, there is a narrow exception for an entity seeking licensure “...for the sole purpose of receiving compensation for brokerage services furnished by its qualifying broker through another firm or broker.” The only time an entity may be issued a firm license without having a BIC is if it meets **all** of the following **Rule A.0110(d)** requirements:

1. The qualifying broker (Seth) is the *only person* (licensed or unlicensed) in or affiliated with the licensed entity (Best Brokers, Inc.).
AND
2. The entity (Best Brokers, Inc.) is being licensed solely to receive compensation that its QB (Seth) earns under another licensed real estate broker (XYZ Realty, Inc.).
AND
3. The entity (Best Brokers, Inc.) has no brokerage office because it’s not providing brokerage services under its license.
AND
4. The licensed entity (Best Brokers, Inc.) is treated for tax purposes as a Subchapter S corporation by the Internal Revenue Service.

Note: This BIC exception is also available for a limited liability company (LLC) created solely to receive compensation the qualifying broker (QB) earns under another broker *so long as* the LLC satisfies all four requirements above, including the IRS Sub S tax-filing status.

Thus, if Seth’s corporation exists to receive *his compensation only* and meets the Rule requirements above, Seth will be the qualifying broker (QB) for his entity, but *his corporation will not need a BIC as it is not independently engaged in brokerage.*

Seth will continue to conduct all his brokerage services as an affiliated agent with XYZ Realty under Betty. Commission records will reflect that he serves as QB for his licensed corporation, but his only affiliation will be with XYZ Realty at Betty’s office. He will **not** be affiliated with his corporation, because his firm is not engaged in brokerage and thus has no office, no BIC, and no affiliated agents. Seth’s four team members will also continue to be affiliated only with XYZ Realty under Betty as BIC.

How do Scenarios 1 and 2 differ?

In both scenarios, the team is a voluntary collaborative effort among the five (5) team members who all are still affiliated with only one company and BIC, namely, XYZ Realty Inc. under Betty’s supervision. The primary difference is that in the second scenario, Seth has created a corporation (entity) and obtained a real estate firm license for it so Betty may pay his commissions to his corporation.

However, the presence of a licensed entity yields a different result to the advertising question. In the first scenario, the team “name” is not the legal name of an entity or sole proprietorship. It’s a name that the team has agreed to use for branding/advertising/identification purposes. While the intent may be the same in Scenario 2, if Seth *uses the name of his licensed corporation in advertising*, i.e., “Call Seth of Best Brokers of XYZ Realty” the analysis changes. Seth is now using the name of a licensed corporation in his advertising, which means his corporation must have a BIC because it is advertising or promoting brokerage services. Consequently, Seth must be dually affiliated with Best Brokers and XYZ Realty.

Further, if *Seth’s team members* use the name of Seth’s licensed entity in their advertising, for example, “Call Mary Jones of Best Brokers of XYZ Realty,” ***then everyone on the team just crossed over into Scenario 3.*** Why? By using the name of two licensed entities in their advertising, the brokers are holding themselves out to the public as being affiliated with both licensed companies.



1. What role(s) must Seth hold in his corporation to obtain a firm license? _____
2. When applying for a license, Best Brokers, Inc. would *not* be required to have a BIC if:
 - a. _____
 - b. _____
 - c. _____
 - d. _____
3. When may Betty begin paying Seth’s commissions to Best Brokers, Inc.? _____

3

TEAM SCENARIO 3: LICENSED ENTITY; ALL TEAM MEMBERS DUALLY AFFILIATED

Seth wants to grow his team by having his four team brokers officially affiliate with his company (Best Brokers, Inc.) as well as continue their affiliation with XYZ Realty. To accomplish this, Seth must have Betty's consent for the dual affiliation (preferably in writing), and then must submit the following paperwork to the Commission.

- 1) If Best Brokers, Inc. does not already have a BIC, Seth must appoint himself or one of his four brokers as BIC for Best Brokers, Inc. at Betty's office address and that person would complete and submit a Broker-in-Charge Declaration form (REC 2.04);
and
- 2) A Notification of Broker Affiliation (REC 2.08) must be submitted for each team member to request a secondary affiliation with his company, Best Brokers, Inc.

Seth's entity is completely separate from XYZ Realty, Inc., and it has an active firm license. Seth and his team members could choose to disassociate from XYZ Realty and engage in brokerage solely as brokers affiliated with Best Brokers, Inc. under Seth as the BIC. However, their intent is to continue working as a team for XYZ Realty and to use XYZ Realty's name in their advertising and when marketing their brokerage services.

To represent themselves as agents of XYZ Realty, Seth and his four team members must remain affiliated with XYZ Realty. Thus, when Seth declares himself BIC of his company, he should also note on the form that he wants to remain an affiliated broker with XYZ Realty, and the affiliation forms (REC 2.08) submitted to associate each broker with Best Brokers Inc. should indicate it is a secondary affiliation. All five brokers will be ***dually affiliated*** on Commission records, which will *show them as being affiliated with both Best Brokers, Inc. under Seth as BIC and with XYZ Realty, Inc. under Betty as BIC at the same office location.*

Graphic 3 illustrates this dual arrangement. Note that the formerly dotted lines between Seth and his team members are now solid lines, because his four team members are now officially affiliated with two separate companies under two BICs at the same office address.

**TEAM SCENARIO 3: Licensed Entity
All Team Members Dually Affiliated**

Legend:
Arrows: Firm/BIC Affiliations



Betty

**XYZ Realty, Inc.
BIC: Betty Biggs**



**Mary Jones, Broker
Dually affiliated with
XYZ Realty, Inc.
and Best Brokers, Inc.**



**Seth Starr, Broker
BEST BROKERS, INC.
QB AND BIC: Seth Starr**

Seth is dually affiliated with
XYZ Realty, Inc.
and Best Brokers, Inc.

Affiliation forms (REC Form 2.08)
must be filed to affiliate team
members with Seth's firm.



**Gerald Johnson, Broker
Dually affiliated with
XYZ Realty, Inc.
and Best Brokers, Inc.**



**Sam Smith, Broker
Dually affiliated with
XYZ Realty, Inc.
and Best Brokers, Inc.**



**Ann Moore, Broker
Dually affiliated with
XYZ Realty, Inc.
and Best Brokers, Inc.**



BIC ALERT: *Who has ultimate broker-in-charge responsibility for the four brokers on Seth’s team, all of whom now have two brokers-in-charge? Betty? Seth? OR Both?*

Responsibility between BICs

Betty and Seth will be *equally responsible* for and share all BIC duties as to the four dually affiliated brokers for whom they both are BIC. Who is responsible for trust monies? The Commission will consider in whose name the trust account is maintained, the locations where monies are handled, and where the trust records are maintained. If XYZ Realty maintains the trust accounts in its name, then its BICs will be primarily responsible for the record-keeping and monthly reconciliations. BICs of offices where money is received, but then sent to another office for deposit and record-keeping must be able to account for all monies that came through its door and the proper transmission of those monies to the record-keeping office.



BIC ALERT: Your supervisory duties for full brokers in your office include assuring that:

- brokers maintain current and active licenses;
- brokers comply with advertising rules;
- brokers comply with agency disclosure and agreement rules;
- all records pertaining to transactions conducted by the firm at your office are properly created, maintained, and retained; and
- all trust account monies and records are properly maintained and retained.



BIC ALERT: *A provisional broker cannot be affiliated with both Seth’s company and XYZ Realty.*

Why? *Provisional brokers may only have one broker-in-charge at any given time.* Thus, they cannot provide brokerage services for multiple companies simultaneously. As an agent of XYZ Realty, a provisional broker could informally assist Seth’s team with transactions under any of the three scenarios, but that provisional broker would be solely under Betty’s supervision and must receive all brokerage compensation only from Betty or XYZ Realty.

Because a provisional broker may only be affiliated with one company, his/her advertising and business cards may only have one company name, presumably the franchise company. To officially affiliate with both companies, the licensee merely needs to complete his/her 90 hours of postlicensing education and achieve “full” broker status.



FOR DISCUSSION

1. What must Seth do to officially affiliate his four team members with his licensed company?

2. Commission records will show that Seth and his four brokers work for what companies under what BIC(s)? _____

3. Commission records will reflect that Seth and his four brokers are _____ affiliated.
4. May a provisional broker affiliated with XYZ Realty under Betty be affiliated in Commission records with Best Brokers, Inc.? _____ Why? _____

ADVERTISING CONSIDERATIONS WITH TEAMS

To recap, if the team members want to include the team’s name in advertising, how should it be done in each scenario and what are the consequences?

Team Structure	Proper Advertising
<p>Scenario 1:</p> <ul style="list-style-type: none"> ▪ Informal team, no entity. ▪ Voluntary collaboration. ▪ Only 1 BIC/Firm affiliation (i.e., XYZ Realty & Betty). 	<p style="text-align: center;">“Seth Starr Team of XYZ Realty”</p> <p>Branding only; the “Seth Starr Team” is not the legal or assumed name of any entity. XYZ Realty’s name must appear in all advertising in addition to the team name.</p>
<p>Scenario 2:</p> <ul style="list-style-type: none"> ▪ Entity with separate firm license for Seth’s compensation only. ▪ Seth is only person in entity. ▪ Voluntary collaboration. <p>Brokers <i>not</i> dually affiliated.</p> <ul style="list-style-type: none"> ▪ Only 1 BIC/Firm affiliation (i.e., XYZ Realty & Betty). 	<p style="text-align: center;">Could still use the “Seth Starr Team of XYZ Realty.”</p> <p>Same as #1 - branding only, so long as “Seth Starr Team” is not the legal or assumed name of an entity. XYZ Realty’s name must appear in all advertising in addition to the team name.</p> <p style="text-align: center;">Note: only the informal team name may be used in this scenario. If Seth wants to use his licensed entity’s name (Best Brokers) in his advertising, even with XYZ Realty’s name, then Best Brokers, Inc. must have a BIC.</p> <p style="text-align: center;"><i>If any of Seth’s team members want to use “Best Brokers” in their advertising, then Seth and his team members have crossed into Scenario 3.</i></p>
<p>Scenario 3:</p> <ul style="list-style-type: none"> ▪ Entity with separate firm license using its name in advertising. ▪ <i>All team members dually affiliated on NCREC records.</i> ▪ 2 BIC/Firm affiliations (XYZ Realty/Betty and Best Brokers /Seth). 	<p style="text-align: center;">“Best Brokers of XYZ Realty” (or “Best Brokers, Inc. of XYZ Realty, Inc.”)</p> <p><i>Note:</i> when completing agency agreements, the five (5) dually affiliated brokers should list both XYZ Realty AND Best Brokers, Inc. as firm/agent.</p>

In Summary

Seth generally will not be a BIC of his team in Team Scenarios 1 and 2. He and all team members will only be affiliated with XYZ Realty under Betty in Commission records. However, if in Team Scenario 2 Seth uses his licensed firm's name in his advertising, then he must declare as BIC of his licensed corporation, but his firm will not have any affiliated brokers other than the BIC (presumably Seth), whose secondary affiliation would be with XYZ Realty.

If Seth's team members want to use the name of Seth's licensed entity in their advertising, then the team has shifted to Team Scenario 3 and all team brokers must be dually affiliated. Both Seth and Betty as BICs in Scenario 3 must fulfill their A.0110 duties as to the brokers under their respective supervision.



OTHER TEAM CONSIDERATIONS



What firm/agent name should be used on Agency Agreements and Sales Contracts?

Team Structure	Firm/Agent Name on Agency Agreements and Sales Contracts
Scenario 1	XYZ Realty
Scenario 2	XYZ Realty
Scenario 3	XYZ Realty <i>and</i> Best Brokers

In Scenarios 1 and 2, the five team brokers are affiliated only with XYZ Realty at Betty's office. Thus, only "XYZ Realty" should be listed as firm/agent on agency agreements and contracts. The individual broker **who actually works with the consumer (buyer or seller)** on behalf of XYZ Realty must also include his/her own name and license number on each agency agreement and contract.

In Scenario 3, all five team members/brokers are actually affiliated with XYZ Realty and Best Brokers. Thus, XYZ Realty and Best Brokers should both be listed as firm/agent on agency agreements and contracts prepared by any team member. The individual broker **who actually works with the consumer (buyer or seller)** on behalf of XYZ Realty and Best Brokers must also include his/her name and license number on each agency agreement and contract.



Does being on a team affect a broker’s relationship with consumers?

No. Team members owe the same fiduciary duties to all clients, as well as fairness and disclosure obligations to all customers of XYZ Realty, regardless of the scenario under which the team is operating.



Will one team member handle the entire transaction or are different team members assigned to specific tasks/phases of the transaction?

Team organization and working relationships must be explained to consumers as soon as possible. Is the team divided into listing agents and buyer agents? Will a closing coordinator take over at a specific point in the transaction? Who should the client contact if s/he has questions?

Similarly, team structure must be explained to cooperating brokers, closing attorneys and paralegals handling the team’s transactions. It is critical that they know who to contact with questions or transactional information.



To whom are commission checks for listing or selling fees payable?

Team Structure	At closing, settlement agent writes commission checks payable to:
Scenario 1	XYZ Realty, Inc.
Scenario 2	XYZ Realty, Inc.
Scenario 3	XYZ Realty, Inc. (and possibly also to Best Brokers, Inc.)

In Team Scenario 1, the five brokers are affiliated only with XYZ Realty, so commission checks should be made payable at closing to XYZ Realty. XYZ Realty is the named “agent/firm of record” and is the party to the agency agreement with the consumer; thus, only XYZ Realty is legally entitled to compensation in the transaction from the consumer or from another broker because of XYZ Realty’s membership in a cooperative listing service. XYZ Realty is then responsible for paying its affiliated brokers whatever monies are due each pursuant to their employment agreements and for issuing a Form 1099.

In Team Scenario 2, XYZ Realty again is the only named agent and party to the agency agreement with the consumer, so commission checks should be disbursed at closing to XYZ Realty. XYZ Realty/Betty then pays the four team brokers their splits directly and may pay Seth’s earned commission to Best Brokers, Inc. since it has an active real estate firm license.

In Team Scenario 3, **all five brokers are dually affiliated with XYZ Realty, Inc. and Best Brokers, Inc., both of which are listed as named agents on any listing or buyer agency agreements entered into by any team member.** With proper instructions concerning the split, the closing attorney could issue listing or selling side commission checks to XYZ Realty and Best Brokers as both are named agents on the agency agreement.

Who pays the dually affiliated brokers? XYZ Realty may pay the commissions due Seth and any of his team members to Best Brokers Inc. and let Seth allocate the monies due each team member and file the income reporting documents. Alternatively, Betty may pay Best Brokers, Inc. just Seth's compensation and pay the other four team members their respective shares directly as affiliated brokers of XYZ Realty, in which case she and XYZ Realty would be responsible for filing applicable income reporting documents with the IRS and NC Department of Revenue.

May BICs instruct closing attorneys to pay individual brokers their split of the company's commission? It depends. By law, provisional brokers may only receive brokerage compensation from their BIC or their employing company, so they cannot be compensated directly by the closing attorney, even with express written instructions from the BIC or company. While a BIC may authorize the closing attorney to issue commission checks directly to its full brokers, it is up to the closing attorney whether s/he will honor the request. Companies should not attempt to compel closing agents to pay their affiliated brokers nor threaten to boycott a settlement agent who refuses to release compensation directly to brokers other than the listing and selling company.

Unlicensed Team Assistants

Any unlicensed person who is assisting Seth or the team in its brokerage services, whether an administrative assistant, closing coordinator, or other role, may only perform clerical and administrative tasks, *i.e.*, tasks that does not require an active broker license, such as answering phones, scheduling appointments, delivering documents, planting signs, etc. Seth and his team should assure that the unlicensed person does not illegally engage in brokerage by providing a service that requires a license. Unlicensed assistants may not solicit business for the team or negotiate agency agreements or offers. An assistant with an *inactive real estate license* should be treated as if unlicensed.

Who pays the unlicensed assistant?

Any broker may hire and pay an unlicensed assistant as a W-2 employee, provided company/firm policy allows such employment arrangements. Thus, Seth or any of the team members may hire an unlicensed assistant and pay him/her directly.

However, if an entity hires and pays an unlicensed assistant, the entity must have a BIC. Therefore, in Scenario 2, if Seth decides to hire an unlicensed assistant to perform his administrative tasks and intends to pay him/her through Best Brokers, Inc., Seth must be a Broker-in-Charge, because the entity no longer qualifies as a one-person entity.

IMPORTANT NOTE: Brokers/firms should exercise caution regarding compensation of unlicensed assistants/W-2 employees. Unlicensed assistants may not be compensated based on brokerage activity and should not be paid bonuses or incentives per closing or based on any number/volume of closings.

ANSWERS TO DISCUSSION QUESTIONS

Page 23 (Scenario 1 Discussion Questions)

1. Does the organizational structure of the Seth Starr Team require a firm license? No.
2. What company name would team members use when completing agency disclosures and agreements with consumers? XYZ Realty, Inc.
3. How may the team members identify themselves in their advertising? “The Seth Starr Team of XYZ Realty”
4. From whom do all brokers on the team receive their commission checks? Betty (XYZ Realty)

Page 27 (Scenario 2 Discussion Questions)

1. What role(s) must Seth hold in his corporation to obtain a firm license? Officer (Principal)
2. When applying for a license, Best Brokers, Inc. would *not* be required to have a BIC if:
 - a. The qualifying broker (Seth) is the only person (licensed or unlicensed) in or affiliated with the licensed entity (Best Brokers, Inc.);
AND
 - b. The entity (Best Brokers, Inc.) is being licensed solely to receive compensation that its QB (Seth) earns under another licensed real estate broker (XYZ Realty, Inc.);
AND
 - c. The entity (Best Brokers, Inc.) has no brokerage office because it’s not providing brokerage services under its license;
AND
 - d. The licensed entity (Best Brokers, Inc.) is treated for tax purposes as a Subchapter S corporation by the Internal Revenue Service.
3. When may Betty begin paying Seth’s commissions to Best Brokers, Inc.? After she verifies that the entity has an active real estate firm license.

Page 30-31 (Scenario 3 Discussion Questions)

1. What must Seth do to officially affiliate his four team members with his licensed company? Complete and submit an affiliation form (REC 2.08) for each team member.
2. Commission records will show that Seth and his four brokers work for what companies under what BIC(s)? XYZ Realty under Betty Biggs, and Best Brokers Inc. under Seth Starr.
3. Commission records will reflect that Seth and his four brokers are DUALLY- affiliated.
4. May a provisional broker affiliated with XYZ Realty under Betty be affiliated in Commission records with Best Brokers, Inc.? No, because provisional brokers may not be dually-affiliated, and affiliating with Best Brokers would require dual affiliation with XYZ and Best Brokers.

— This Page Intentionally Left Blank —

Notes