

Michigan Department of Licensing and Regulatory Affairs
Bureau of Commercial Services - Licensing Division
REAL ESTATE
P.O. Box 30243, Lansing, MI 48909
517-373-7353; Fax 517-373-1044
www.michigan.gov/realestate; exam info: www.psiexams.com

NOTICE TO SALESPERSON APPLICANT WHO INDICATES HE/SHE IS A PRINCIPAL IN THE EMPLOYING BROKERAGE ENTITY

Applicant:

Because you answered affirmatively to the question on your license application that you are connected as a principal to your named employing broker, the following are options which must be resolved prior to licensure:

1. Applicant for a salesperson license to a Corporation Broker or Partnership Employing Broker:

You indicated that you are an officer, partner, stockholder or member of the employing broker named on your license application and/or own stock in the corporation. Please be aware that Section 2508(1) of P.A. 299 of 1980, as amended, states that a real estate broker's license issued to a partnership or a corporation shall entitle those individuals designated as principals to perform acts regulated under this article. In addition, Section 2508(2) states that before performing acts regulated each principal shall apply for and obtain an associate real estate broker's license.

Therefore, a license issued to a real estate salesperson will allow that person to perform regulated acts (those activities for which a real estate license is required). If you are an officer of the corporation broker to whom you seek a license, or a partner in a partnership or limited partnership brokerage, you are considered a principal. All corporate officers in a corporation broker entity or partners in a partnership or limited partnership broker entity **MUST** be licensed as associate brokers.

If you are a corporate officer in the corporation or partner in the broker partnership entity, your options are:

- a. You can apply for and obtain an associate broker's license to this employing broker **OR**
- b. You can take steps to remove yourself as a partner or corporate officer and provide written proof of same. If you have any questions, please feel free to contact the Department. Your application will continue to pend until such time as this is resolved.

If you are a stockholder, shareholder or director, you must file a Stipulation (BCS/LRE-009) located at: <http://www.michigan.gov/realestate> that acknowledges that you will not act as an associate broker until and unless you hold that type of license.

2. Applicant for salesperson license to a Limited Liability Company (LLC) employing broker:

You must complete and submit the attached Stipulation form (BCS/LRE-009) located at: <http://www.michigan.gov/realestate>. If you have previously submitted this form to the Department, contact our office at 517-373-7353.