



Broker Management Acknowledgment by Mortgage Brokerage and Broker (the Acknowledgement)

Part 1. Brokerage Acknowledgement

The _____ (the Brokerage) represents to the
(Name of Brokerage)
Real Estate Council of Alberta (RECA) the following:

- The Brokerage has appointed _____ (the Broker) as the Broker
(Name of Broker)
for the Brokerage for its operations in the Province of Alberta.
- The Broker is a partner, member of the board of directors, an officer, or a manager designated by the Brokerage.
- The Brokerage understands the Broker is responsible to ensure the Brokerage conducts its business in Alberta in accordance with the *Real Estate Act*, the Rules, and the Bylaws (collectively referred to as "the Legislation").
- The Brokerage and the Broker have a written agreement giving the Broker the authority to carry out the duties and responsibilities of a broker to enable the Broker to fulfil his or her responsibilities under the Legislation. Schedule 1 of this Acknowledgement describes the duties and responsibilities of the Broker.
- The Brokerage has made the necessary resolutions to provide the Broker with the ability to fulfil his or her obligations under the Legislation and has provided copies to the Broker.
- The Brokerage will immediately notify the Broker when directors, officers, shareholders, or partners of the Brokerage change, in order for the Broker to notify the registrar in writing of the Brokerage amendments.
- The Brokerage acknowledges that if the Brokerage interferes with, restricts, or prevents in any way the Broker from performing the responsibilities of a broker under the Legislation, the Broker must report the incident to the registrar.
- The Brokerage understands the registrar will suspend or cancel the authorization of the Brokerage if the Brokerage interferes with, restricts, or prevents in any way the Broker from performing the responsibilities of a broker under the Legislation.

Name and Position of Brokerage Official

Name of Witness

Signature

Signature

Date

Date

Part 2. Broker Acknowledgement

The Broker acknowledges to the registrar he or she has entered into a written agreement with the Brokerage that is consistent with the Acknowledgement provided by the Brokerage to the registrar.

Name of Broker

Name of Witness

Signature

Signature

Date

Date

Broker/Brokerage Acknowledgement Schedule 1

The Brokerage must provide the Broker with the authority to be actively engaged in the management of activities and processes related to deals in mortgages in Alberta to enable the Broker to fulfil his or her responsibilities under the Legislation in Alberta. This means the Broker has access to all brokerage information, is able to demand the production of answers and information, and is able to make the necessary decisions to ensure the Brokerage complies with the Legislation in Alberta. The authority provided by the Brokerage to the Broker includes the ability to:

- ensure the Brokerage deals in mortgages only in the name that appears on the Brokerage's mortgage licence;
- ensure advertisements made by the Brokerage or made by the Brokerage's licensees or employees on behalf of the Brokerage:
 1. contain the Brokerage's name,
 2. the Brokerage's name is clearly indicated, and,
 3. the advertisements are not false or misleading;
- create and enforce processes to ensure the Brokerage discloses to clients any conflicts of interests the Brokerage or its licensees have with the Brokerage's clients. This includes the extent of any benefits that the Brokerage or its licensees will receive, directly or indirectly, as a result of providing services to the Brokerage's clients;
- prevent a licensee with any other mortgage brokerage from dealing in mortgages on behalf of the Brokerage;
- review the background of the Brokerage's employees, potential employees, or independent contractors to prevent the Brokerage from employing or contracting with any individual who has not met the requirements of the Legislation to deal in mortgages;
- confirm that all levies, fees, premiums, fines, administrative penalties, and other amounts that are payable under, or pursuant to, the Legislation have been paid;
- control the remuneration or the sharing of Brokerage commissions to ensure compliance with the Legislation;
- set supervisory processes and supervise the Brokerage's licensees and employees performing activities in support of mortgage deals of the Brokerage in carrying out its obligations under the Legislation;
- investigate, discipline and potentially terminate the registration of the Brokerage's licensees or employees who engage in conduct that undermines public confidence in the industry, harms the integrity of the industry, brings the industry into disrepute, or otherwise contravenes the Legislation;
- develop and enforce policies and procedures by which the Brokerage's licensees and employees are expected to operate;
- set controls and policies for the operation of the Brokerage's trust accounts, accounts to where commissions are received, including access to ABM cards, internet banking, user access, and access codes (this applies to all banking activities including deposits, transfers, and disbursements);

- review the Brokerage's mortgage deal activities including service agreements with clients and documentation related to mortgage deals to ensure services were carried out competently and in accordance with the Legislation;
- ensure proper management and control of documents or records related to licensing authorizations, registrations, and related regulatory requirements;
- ensure proper management and control of the Brokerage's deal and accounting records. This includes the Broker's ability to personally maintain these records for three years as required by the Legislation if the Brokerage ceases to be licensed to deal in mortgages unless a new Broker assumes this responsibility;
- ensure the Brokerage's paper and electronic record systems comply with the Legislation;
- reconcile the Brokerage's trust accounts within 30 days;
- prevent payment or the transfer from a trust account if the payment or transfer creates a negative balance in a client or customer's ledger;
- prevent the Brokerage from paying personal or general office expenses, commission or other remuneration to the Brokerage's licensees, officials, or employees from the Brokerage's trust accounts;
- take the necessary steps to identify the exact amount of a trust shortage if the Broker identifies the existence of one;
- deposit the Brokerage's own money to fund trust account shortages;
- provide Brokerage accounting reports in compliance with section 90 of the Rules;
- investigate concerns raised by the Broker's due diligence, by RECA, by other professionals, or by the clients or customers of the Brokerage, and take reasonable steps to correct any misconduct, or reduce harm created by the misconduct;
- report to the registrar any misconduct by the Brokerage's licensees or employees related to fraud, deception, theft, or any other unlawful activity;
- appoint and supervise Broker delegates;
- review and prohibit the offering of referrals, incentives, and inducement programs unless these programs comply with the Legislation;
- set and enforce policies for the use of service agreements to ensure compliance with service agreement requirements under the Legislation;
- set and enforce policies for all Brokerage licensees and employees regarding their employment or business activities outside the business of the Brokerage;
- set and enforce policies regarding the due diligence required by the Brokerage's licensees when representing the Brokerage's clients;
- ensure the Brokerage, at all times while it holds an authorization, maintains errors and omissions insurance in the form of insurance and terms and conditions approved by the registrar