



## Broker Management Acknowledgment by Real Estate 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 Executive Director 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 Executive Director.
- The Brokerage understands the Executive Director 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 Executive Director he or she has entered into a written agreement with the Brokerage that is consistent with the Acknowledgement provided by the Brokerage to the Executive Director.

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Name of Broker

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Name of Witness

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Signature

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Signature

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Date

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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 trades in real estate 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 trades only in the name that appears on the Brokerage's real estate licence;
- ensure advertisements made by the Brokerage or the Brokerage's real estate professionals 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 real estate professionals have with the Brokerage's clients. This includes the extent of any benefits the Brokerage or its real estate professionals will receive, directly or indirectly, as a result of providing services to the Brokerage's clients;
- prevent a real estate professional with any other real estate Brokerage from trading in real estate 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 trade in real estate;
- 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 real estate professionals and employees performing activities in support of real estate trades of the Brokerage in carrying out its obligations under the Legislation;
- investigate, discipline and potentially terminate the Brokerage's real estate professionals 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 real estate professionals 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 trade activities including service agreements with clients and documentation related to trades in real estate 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 trade 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 authorized to trade in real estate 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 real estate professionals, officials, or employees from the Brokerage's trust accounts;
- pay commissions to be shared with other brokerages from the Brokerage's trust account first then any remaining commissions from the general or other account;
- 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;
- notify or require real estate professionals to notify parties to a real estate trade when deposits required by the trade have not been received or have not been honoured by a financial institution;
- 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 Executive Director any misconduct by the Brokerage's real estate professionals or employees related to fraud, deception, theft, or any other unlawful activity;
- appoint and supervise Broker delegates;
- review and prohibit the offering of guaranteed sales, 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 real estate professionals and employees regarding their employment or business activities outside the business of the brokerage;
- set and enforce policies for the due diligence required by the Brokerage's real estate professionals when representing the Brokerage's clients;