**Exit Strategies for Realtors®**



Your Flight Plan (for Successful Succession)

Planning Your Future

Presented by:



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**Definitions:**

**Job** – clock in and out, no assets, walk away from it, only SEP or 401K if you saved

**Business** – investing time, energy, long-term paybacks, an asset

**Exit Strategy/Succession Pla**n – a plan for passing on responsibility for caring properly for your clients, running your business, transferring ownership and extracting your value from your business. This requires planning well in advance of the transition.

**ARS** – Arizona Revised Statutes – The statutory laws in the state of Arizona.

**AAC** – Arizona Administrative Code – The official publication of Arizona's codified rules and is published by the Administrative Rules Division. Called the Commissioner’s Rules.

**Realtor Code of Ethics** and Standards of Practice – Established by the NAR (17 Articles)

**Team** – You’ll have a team even if only 2

The Arizona Revised Statutes (ARS) Title 32, Chapter 20 and Arizona Administrative Code (AAC) Title 4, Chapter 28, as well as Article 26 of the Arizona Constitution are partially based and drafted on the principles set forth in the National Association of REALTORS® (NAR) Code of Ethics and Standards of Practice.

**Notes:**

**Options:**

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Pros:

Cons:

How/Timing:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Pros:

Cons:

How/Timing:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Pros:

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How/Timing:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Pros:

Cons:

How/Timing:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Pros:

Cons:

How/Timing:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Pros:

Cons:

How/Timing:

**Rules and Regulations:**

**ARS 32-2101**

A person must be licensed to be paid to “Assist or direct in the procuring of prospects calculated to result in the sale, exchange, leasing or rental of real estate.”

**AAC R4-28-306**

Unlawful license activity:

1. The performance of acts requiring a license under A.R.S. § 32-2122 by a person who does not hold a current and active license;
2. The performance of acts requiring a license by a person on behalf of a broker other than the person's employing broker; or
3. A broker's employment of a person as a salesperson or broker if the person does not hold a current and active license issued to the person under that employing broker.

**ARS 32-2153 - 8**

Represented or attempted to represent a broker other than the broker to whom the salesperson or associate broker is licensed.

Grounds for denial, suspension or revocation of licenses.

**Flight Planning Considerations:**

* Can the Destination Airport handle you? The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to handle the extra volume.
* Qualified for that Airport? Takes \_\_\_\_\_\_\_ years minimum to develop a partner and market. Most likely longer with a family member. And are they interested? Can they handle the volume?
* A Weather Alternate? Need \_\_\_\_\_\_\_\_ if you don’t want it back. Too many come back or die in the process!
* Written Flight Plan – \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Enough fuel? – Be prepared, you will have \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_!

**Advertising:**

**AAC R4-28-502 A**

A salesperson or broker acting as an agent shall not advertise property in a manner that implies that no salesperson or broker is taking part in the offer for sale, lease, or exchange. Includes Facebook Ads!

**AAC R4-28-502 B**

Any salesperson or broker advertising the salesperson’s or broker’s own property for sale, lease, or exchange shall disclose the salesperson’s or broker’s status as a salesperson or broker, and as the property owner by placing the words “owner/agent” in the advertisement.

**AAC R4-28-502 E**

A salesperson or broker shall ensure that all advertising identifies in a clear and prominent manner the employing broker’s legal name or the dba name contained on the employing broker’s license certificate.

**Writing Purchase Contracts:**

**Article 26 of the Arizona Constitution**

Any person holding a valid license as a real estate broker or a real estate salesman regularly issued by the Arizona State Real Estate Department when acting in such capacity as broker or salesman for the parties, or agent for one of the parties to a sale, exchange, or trade, or the renting and leasing of property, shall have the right to draft or fill out and complete, without charge, any and all instruments incident thereto including, but not limited to, preliminary purchase agreements and earnest money receipts, deeds, mortgages, leases, assignments, releases, contracts for sale of realty, and bills of sale.

**Compensation & Changes:**

**ARS 32-2155**

… a licensee shall accept employment and compensation as a licensee only from the legally licensed broker to whom the licensee is licensed. If the licensee is licensed through a professional corporation or a professional limited liability company, the employing broker may pay and the licensee may receive compensation only through the licensed professional corporation of which the licensee is an officer and shareholder or the licensed professional limited liability company of which the licensee is a member or manager.

**AAC R4-28-701**

A real estate broker shall disclose to all the parties in a transaction, in writing before closing, the name of each employing broker who represents a party to the transaction and who will receive compensation from the transaction.

**ARS 32-2125**

A corporation, limited liability company or partnership licensed under this section shall report to the department within ten days:

1. Any change in officers, directors, members, managers or partners or any change of control of the entity.

2. Any amendment to its articles of incorporation or organization or to its partnership agreement.

3. If a corporation, when a person becomes an owner of ten per cent or more of the stock in the corporation.

4. The dissolution of the corporation, limited liability company or partnership.







Exit Strategies for Realtors®

**Breakout Groups Questions:**

1. What’s important to you on this flight?
2. Who’s your flight crew?
3. How do you get off the ground?

**Notes:**