

# MICHIGAN BUSINESS BROKERS ASSOCIATION

## RULES & REGULATIONS

(UPDATED FROM JULY 7, 1987)

The following rules and regulations have been approved by the Board of Directors in accordance with the By-Laws. These rules and regulations may be added to, subtracted from, altered, or amended from time to time at the discretion of said Board.

1. Dues, including State Association and local Chapters, are payable by January 1. Any member not remitting by March 1 will be deleted from the roster, lose all membership privileges, and will have to apply for reinstatement and pay the initiation fee then prevailing.
2. Regular business meetings, to be scheduled from time to time, are open to members and member-applicants who may attend meetings prior to being accepted for membership. Such applicants may present have-wants, and must sign the approved Confidentiality Agreement.
3. Prior to presentation or submission of any business opportunity by a member to the membership, it is required that such member first will have prepared and made available a completed MBBA package.
4. The submitting members shall, with respect to the co-brokering of a transaction, sign an MBBA approved commission split agreement concurrent with an agency disclosure form.
5. The type of contractual relationship afforded by each business opportunity submitted must be clearly identified by the submitting member, e.g. open listing, exclusive listing, under option/contract, buyer/broker, or owned by the submitting member.
6. In all cases the submitting member of any business opportunity will be the CONTACT for such business opportunity for as long as the submitting member is in a contractual relationship provided that the member can exhibit evidence of such control at the time of submission. The Member first submitting an open listing to the group shall have control within the group. If several members have such open listings, and evidence of same, then they shall have equal control and members may elect which member to cooperate with.
7. Each business opportunity customer or prospect of a cooperating member must be registered in writing with the contact member in order that the contact member can, in turn, register such prospect with the seller for the mutual protection of all parties.
8. In all cases the listing member will be required to respect, protect, and otherwise not encroach upon the relationship between the registered buyer prospect for the submitted business opportunity and the cooperating member. It is not the intent of this section to afford lifelong protection with regard to any prospect; rather, within the context of any given situation the contact member will be required to adhere to an ethical standard of judgment in accordance with both the spirit as well as the letter of the covenants of the organization and its By-Laws, respect and not interfere or convert the buyer or seller of said relationship.
9. In the event the same buyer/prospect is registered in writing with the open listing broker, the cooperating member that registers that buyer in writing will be the cooperating broker (refer to rule 8).
10. All brokers and salespersons are required at the time of execution of the listing agreement to disclose to the seller all types of agency relationships available and the licensee duties that each agency relationship creates. In addition, the broker/salesperson is required to disclose that other broker/salespersons who show the property may be working as buyer's agents, subagents, or transaction coordinators and the seller should not disclose confidences to those broker/salespersons that the seller would not disclose to a buyer.
11. All brokers and salespersons who deal with a listed property must disclose their agency relationship, if any, to the seller at first contact. The cooperating salesperson/broker must immediately disclose his/her relationship if requested by the seller or listing broker/salesperson.