

# **MBBA** Michigan Business Brokers Association

## *Rules and Regulations*

Updated December 1, 2022

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.

### **Conditions for Membership in Michigan Business Brokers Association**

- a) Membership is for individuals only. There is no company or corporate membership provision.
  - b) Membership privileges and benefits including access to the MBBA website and the tools contained therein are only available to members in good standing with current annual dues.
  - c) Chapter Membership Dues are payable by December 31 each year. Any member not remitting by December 31 will be deleted from the roster, lose all membership privileges, and will have to apply for reinstatement and pay the initiation fee then prevailing. Dues for new members joining during the year are prorated on a quarterly basis.
  - d) State Licensure / Professional Credentials: All members required to be state licensed within their profession will be legally licensed when they join and will maintain their license in good standing throughout their membership tenure.
1. Regular business meetings, to be scheduled from time to time, are open to members and member-applicants who may attend a maximum of two meetings prior to applying and being accepted for membership. All attendees, members and member-applicants alike, are required to sign the meeting Confidentiality Agreement and then may present business opportunity 'haves and wants.'
  2. 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 'teaser' level overview of the opportunity to share with interested members
  3. With the presentation or submission of any business opportunity by a member to the membership, the submitting member shall, with respect to the co-brokering of a transaction, specifically state that they will or will not consider co-brokering under a written commission split agreement with other MBBA members on the prospective transaction.
  4. All marketing and communications for listings and other business opportunities must come from an active member with any and all contact information presented being that of a member in good standing. Online listings and/or distribution emails are not permitted to promote a business opportunity for other non-members in any way. Abuse of this will lead to restrictions in use of the website or email distribution lists. On-going abuse can lead to membership suspension.

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 business opportunity 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 business opportunity 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.