

R162-2f-401c. Additional Provisions Applicable to Principal Brokers.

(1) A principal broker shall:

- (a) strictly comply with the record retention and maintenance requirements of Subsection R162-2f-401k;
- (b) provide to the person whom the principal broker represents in a real estate transaction:
 - (i) a detailed statement showing the current status of a transaction upon the earlier of:
 - (A) the expiration of 30 days after an offer has been made and accepted; or
 - (B) a buyer or seller making a demand for such statement; and
 - (ii) an updated transaction status statement at 30-day intervals thereafter until the transaction either closes or fails;
- (c) (i) regardless of who closes a real estate transaction, ensure that final settlement statements are reviewed for content and accuracy at or before the time of closing by:
 - (A) the principal broker;
 - (B) an associate broker or branch broker affiliated with the principal broker;
 - or
 - (C) the sales agent who is:
 - (I) affiliated with the principal broker; and
 - (II) representing the principal in the transaction; and
 - (ii) ensure the principals in each closed real estate transaction receive copies of all documents executed in the transaction closing;
- (d) in order to assign all or part of the principal broker's compensation to an associate broker or sales agent in accordance with Section 61-2f-305, provide written instructions to the title insurance agent that include the following:
 - (i) an identification of the property involved in the real estate transaction;
 - (ii) an identification of the principal broker and sales agent or associate broker who will receive compensation in accordance with the written instructions;
 - (iii) a designation of the amount of compensation that will be received by both the principal broker and the sales agent or associate broker;
 - (iv) a prohibition against alteration of the written instructions by anyone other than the principal broker; and
 - (v) additional instructions at the discretion of the principal broker;
- (e) obtain written consent from both the buyer and the seller before retaining any portion of an earnest money deposit being held by the principal broker;
- (f) exercise active supervision over the conduct of all licensees and unlicensed staff employed by or affiliated with the principal broker, whether acting as:
 - (i) the principal broker for an entity; or
 - (ii) a branch broker;
- (g) strictly adhere to the rules governing real estate auctions, as outlined in Section R162-2f-401i;
- (h) strictly adhere to the rules governing property management, as outlined in Section R162-2f-401j;
- (i) (i) except as provided in this Subsection (1)(i)(iii), within three business days of receiving a client's money in a real estate transaction, deposit the client's money into a trust account:
 - (A) maintained by the principal broker pursuant to Section R162-2f-403; or

- (B) if the parties to the transaction agree in writing, maintained by:
 - (I) a title company pursuant to Section 31A-23a-406; or
 - (II) another authorized escrow entity; and
 - (ii) within three business days of receiving money from a client or a tenant in a property management transaction, deposit the money into a trust account maintained by the principal broker pursuant to Section R162-2f-403 or forward or deposit client or tenant money into an account maintained by the property owner;
 - (iii) a principal broker is not required to comply with this Subsection (1)(i)(i) or (ii) if:
 - (A) the contract or other written agreement states that the money is to be:
 - (I) held for a specific length of time; or
 - (II) as to a real estate transaction, deposited upon acceptance by the seller; or
 - (B) as to a real estate transaction, the Real Estate Purchase Contract or other written agreement states that a promissory note may be tendered in lieu of good funds and the promissory note:
 - (I) names the seller as payee; and
 - (II) is retained in the principal broker's file until closing;
- (j)
 - (i) maintain at the principal business location a complete record of all consideration received or escrowed for real estate and property management transactions; and
 - (ii) be personally responsible at all times for deposits held in the principal broker's trust account;
- (k)
 - (i)
 - (A)
 - (I) in a real estate transaction, assign a consecutive, sequential number to each offer; and
 - (II) assign a unique identification to each property management client; and
 - (B) include the transaction number or client identification, as applicable, on:
 - (I) trust account deposit records; and
 - (II) trust account checks or other equivalent records evidencing the transfer of trust funds;
 - (ii) maintain a separate transaction file for each offer in a real estate transaction, including a rejected offer, that involves funds tendered through the brokerage and deposited into a trust account;
 - (iii) maintain a record of each rejected offer in a real estate transaction that does not involve funds deposited to trust:
 - (A) in separate files; or
 - (B) in a single file holding all such offers; and
- (l) if the principal broker assigns an affiliated associate broker or branch broker to assist the principal broker in accomplishing the affirmative duties outlined in this Subsection (1):
 - (i) actively supervise any such associate broker or branch broker; and
 - (ii) remain personally responsible and accountable for adequate supervision of all licensees and unlicensed staff affiliated with the principal broker.
- (2) A principal broker shall not be deemed in violation of this Subsection (1)(f) where:
 - (a) an affiliated licensee or unlicensed staff member violates a provision of Title 61, Chapter 2f et seq. or the rules promulgated thereunder;

- (b) the supervising broker had in place at the time of the violation specific written policies or instructions to prevent such a violation;
- (c) reasonable procedures were established by the broker to ensure that licensees receive adequate supervision and the broker has followed those procedures;
- (d) upon learning of the violation, the broker attempted to prevent or mitigate the damage;
- (e) the broker did not participate in the violation;
- (f) the broker did not ratify the violation; and
- (g) the broker did not attempt to avoid learning of the violation.