

## Table of Contents

<b>MISSION STATEMENT</b> .....	<b>3</b>
<b>CANZELL VISION</b> .....	<b>3</b>
<b>CORE VALUES</b> .....	<b>3</b>
<b>PROCEDURES</b> .....	<b>4</b>
<b>CODE OF CONDUCT</b> .....	<b>4</b>
<b>GENERAL POLICIES AND PROCEDURES</b> .....	<b>5</b>
<b>LOYALTY</b> .....	<b>5</b>
<b>DRESS CODE</b> .....	<b>6</b>
Agent Responsibilities .....	6
<b>Financial Obligations</b> .....	<b>6</b>
License Renewal and State Department of Licensing Rules .....	7
Duty of Loyalty .....	7
Forms .....	8
Representation.....	8
Professionalism .....	8
Owner/Agent Buy and Sell Policy .....	8
Earnest Money.....	8
Commercial Property.....	9
Unauthorized Activities .....	9
<b>MARKETING AND ADVERTISING</b> .....	<b>9</b>
Advertising.....	10
General Advertising .....	10
Signage.....	10
Marketing Materials.....	11
Company Name/Logo.....	11
Job Posting .....	11
Blogging and other Social Media Postings .....	11
Social Media Networking.....	12
Video .....	13
CanZell Realty Referral Network Program .....	13
<b>MENTOR PROGRAM</b> .....	<b>13</b>
Agent Attraction Universal Pledge .....	13
Sponsorship Request from Clients/Donations.....	14
Sponsorship for Parties and Events .....	14
Prospective Agents .....	14
Avoiding Stock Solicitations .....	14
<b>CANZELL REALTY REVENUE SHARE</b> .....	<b>15</b>
<b>ONBOARDING NEW CANZELL REALTY AGENTS</b> .....	<b>17</b>

<b>TEAM POLICY .....</b>	<b>18</b>
<b>COMPANY TOOLS .....</b>	<b>19</b>
Preferred Vendors .....	19
Email Facilities .....	19
<b>COMMISSIONS AND ACCOUNTING .....</b>	<b>19</b>
<b>TRANSACTION MANAGEMENT POLICY .....</b>	<b>19</b>
Transaction Fee .....	21
Executed Real Estate Agreements .....	21
Late Paperwork Submissions .....	22
CanZell Realty Brokerage Fees .....	22
Required File Completion for Commission Payout .....	24
Listing Commissions .....	24
CANZELL REALTY Cap Program .....	24
Commissions and Other Fees From Clients .....	26
Commission Advances .....	27
Unpaid Commissions or Procuring Cause Claims .....	27
Referrals Payments and Relocation Companies .....	28
<b>COMPLIANCE .....</b>	<b>28</b>
Antitrust .....	28
Conflicts of Interest .....	28
Data Security and Client Privacy .....	29
Do Not Call Rules .....	29
Drug and Alcohol Use .....	29
Errors & Omissions Insurance .....	29
Harassment .....	30
Intellectual Property Rights .....	30
Judgments .....	30
Non-solicitation .....	30
Reporting Problems .....	31
Agent Business Expenses .....	31
Assistants - Unlicensed .....	32
Assistants - Licensed .....	32
<b>Contact Information .....</b>	<b>33</b>
Contacting the State Broker .....	33
Influencer Award .....	33
Physical Office Space .....	34
<b>OFFBOARDING .....</b>	<b>34</b>
<b>Incapacitation or Death of a CanZell Agent .....</b>	<b>36</b>

## WHO ARE WE?

At CanZell Realty, God made us all different, and that's what makes us great. We use each of our unique differences and backgrounds, experiences we have had and perspectives on life to create an inclusive environment.

In addition, CanZell Realty is committed to creating a diverse work environment and is proud to be an equal opportunity employer for our agents and our employees. All qualified applicants will receive consideration to join our company without regard to race, color, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability, age, or veteran status.

*Is CanZell a Christian-based or Faith-based company?*

Sometimes, people ask if CanZell Realty is an exclusively Christian-based company or a faith-based company. The truth is we are an "all-are-welcome" brokerage. We welcome every walk of life at CanZell, all different religions, no religion, you name it. Anyone can join, and we all come together for the common goal of serving our clients, and communities to the best of our ability. Our main and common goal is to serve the communities through abundant giving and put our client's needs above our own!

## MISSION STATEMENT

To glorify God by putting our clients' interests above our own.

## CANZELL VISION

To change the lives of the communities we serve through abundant giving.

## CORE VALUES

1. Think win/win.
2. Be A Go Getter.
3. Follow Up & Follow Through.
4. Address Issues Head On.
5. Do The Right Thing.
6. Let Your Yes Be Yes, and Your No Be No.
7. Drive The Bus, Land The Plane.

## **PROCEDURES**

**The policies that are set within these policies and procedures manual are expected to be followed and adhered to each independent contractor, agent and/or employee. If you fail to follow the policies and procedures outlined below, this could result in legal or regulatory issues for the agent and/or the company. You agree that if they fail to follow any of the policies and procedures outlined in this manual, they will defend, indemnify and hold the company and its principals and affiliates harmless against any and all claims, complaints or actions that may arise from failing to adhere to this policy.**

**This manual is made as an intricate part of the Independent Contractor Agreement. Failing to agree to the policies can result in loss of stock, revenue share and leadership pay opportunities. Failure to follow this policy can be cause for immediate termination from the company.**

## **CODE OF CONDUCT**

**All agents shall conduct their business in alignment with the company's core values and in accordance with applicable federal and state laws. Agents should conduct themselves in an appropriate business-like manner in all activities and relations with fellow agents, clients, potential customers and company staff.**

**Any agent whose conduct, actions or performance violates or conflicts with the company's policies herein or the company's core values may be released from the company immediately and without warning.**

**It is CanZell Realty's commitment to ensure the brokerage is free from negative, aggressive and inappropriate behaviors, and upholding our core values. All CanZell Realty employees and agents will be treated with dignity and respect. All complaints of negative and inappropriate behaviors will be taken seriously and followed through to resolution. Agents or employees of the company who file complaints will not be victimized for "whistle-blowing" or reporting others for their inappropriate behavior.**

## **STATE LAWS AND REGULATIONS**

**This policy and procedure manual is made for our company wide policies. This does not include specific state policies that may be required in an agent's state. In order to make sure you are up to date on your state's policies and procedures, please attend your Broker's regular Broker meetings, as well as stay up to date on policies on your state's regulations page.**

## **GENERAL POLICIES AND PROCEDURES**

- 1. Our primary goal is to find win-win solutions.**
  - 2. All agents of CanZell Realty shall always conduct themselves in a professional manner.**
  - 3. All questions or problems with any real estate transaction shall be reviewed with the circle leader, managing partner or managing broker of your circle.**
  - 4. The CanZell Realty name will be included on all business cards and marketing materials, as well as voicemail recordings on cell phones, etc., and as required by state marketing laws.**
  - 5. Prior to accepting a referral, an agent must sign a referral agreement between referring party and himself or herself.**
  - 6. Agents of CanZell Realty are independent contractors and agree to sign the CanZell Realty Independent Contractor, Confidentiality and Non-Solicitation Agreement.**
- \*\*NOTICE: OFFICE PHONE, EMAIL AND ALL CORRESPONDENCE ARE MONITORED AND RECORDED\*\***

## **LOYALTY**

**At all times while Agent is engaged as a real estate agent with CanZell Realty, Agent shall act under a duty of loyalty in support and in furtherance of the CanZell Realty and CanZell Realty Network and shall maintain a proper attitude toward the public, CanZell Realty, and the agent's fellow CanZell Realty Sales Associates. Agents shall not engage in any acts or activities that disrupt CanZell Realty circles or are likely to adversely affect the image of CanZell Realty or other CanZell Realty Sales Associates or that may detract from or tend to undermine the growth of the CanZell Realty brokerage, including, without limitation, any acts in furtherance of any non- CanZell Realty real estate business or the establishment of, or the recruiting of any CanZell Realty Sales Associates for any existing or future non- CanZell Realty real estate business that does or may compete with the CanZell Realty Network. Agents may not speak to the media (including, without limitation, newspapers) regarding the business or affairs of CanZell Realty without prior written CanZell Realty consent.**

## **DRESS CODE**

Please use your discretion and dress professionally when meeting with clients or at company events.

## **DUTIES AS AN AGENT**

### **Agent Responsibilities**

- 1. W9: Agent will provide CanZell Realty with a completed W9.**
- 2. Lockboxes: Agents are responsible for paying for their own lockbox that is required by your MLS.**
- 3. Computers: Agents are responsible for their own laptop computers.**
- 4. Personal Email and Information: Agents are not to communicate with CanZell Realty clients using personal emails or phones that don't have CanZell Realty voicemails or email signatures in place. After the termination of the relationship between Agent and CanZell Realty, CanZell Realty will not retrieve from CanZell Realty computers any data on Agent's behalf. Accordingly, Agent is responsible to keep copies of all such files as Agent is required to maintain under applicable laws and regulations.**
- 5. Circle Meetings and the 8 Minute Call attendance: All Agents are encouraged to listen and take part in the company's monthly 8 Minute Call as well as any weekly or monthly meetings or trainings held within the company or their circles.**

### **Financial Obligations**

- 1. Agent will have the following one-time charge which is due at signing of this manual: Fee for technology systems set up. \$100**
- 2. Monthly E&O Fee: Agent will be charged the first of every month \$50 to the credit card on file.**

**If the card is declined, there will be a \$35 fee assessed and we will auto pull the total amount owed from the checking account on file used for commission disbursement. If that is returned as NSF, an additional \$35 fee will be assessed, and the agent has 30 days to pay the total amount due. If the agent has not paid the balance within 30 days, their license will be sent back.**

- 3. Transfer Fees. Agents are responsible for all licensing fees as required by their state.**

4. The agent is responsible for their own MLS dues and fees necessary to transact real estate. See your Managing Broker or CL for details.

5. The agent is responsible for their own State/Federal Regulatory Authority and MLS Violations, if incurred.

**6. Additional Expenses:**

1. CanZell Realty is a paperless company, so all agents should have a tablet (iPad, Microsoft Surface, etc.) so forms can be signed with the client electronically.
2. Business cards and name tags should be purchased through CanZell Realty preferred vendor. Business card photos must be professional and in appropriate dress attire.
3. Shipping and postage costs: All USPS, FEDEX or UPS postage costs are agent's responsibility.

## **License Renewal and State Department of Licensing Rules**

As an agent with CanZell Realty, you agree to maintain an active real estate license with the State Department of Licensing. It is the agent's sole responsibility to fulfill all continuing education requirements and file their renewal promptly and be aware of their licensing status with the State Department of Licensing. CanZell Realty may, at its sole option, sever the agent's license with the company if the agent's license is not renewed on time. Failure to renew can have severe financial impacts on the agent for example commissions are subject to forfeiture for any unlicensed real estate activities after expiration/revocation of agent's license.

Agents agree to adhere to all state and federal licensing rules and regulations. It shall be the agent's responsibility to be knowledgeable about the rules set forth by their State Department of Licensing. Should a complaint be filed against an agent, agent agrees to immediately notify the company via their state broker, respond promptly to the complaint, and cooperate fully with the State Department of Licensing.

## **Duty of Loyalty**

All licensed assistants and their agents shall abide by their fiduciary responsibilities when acting as an agent for a client. As an agent you owe your client the duties of loyalty, obedience, disclosure, confidentiality, accounting, reasonable care and skill. Agents will also deal fairly with all parties in a transaction.

Before an offer on a property is written, the agent must send the acceptable form to the state broker disclosing the agency relationship with any party with whom the agent is working with.

## **Forms**

Agent should only use forms which are customary to the MLS or REALTOR® Board of which the agent is a member. These forms are normally provided via some sort of MLS or Board intranet. When creating documents for a special situation it must be reviewed and approved by their state broker(s) prior to execution. Many CanZell Realty forms will be found within the transaction management system used.

## **Representation**

As a CanZell Realty agent you are not authorized to bind or obligate the company to any agreement, promise or representation other than a witness to normal business practice in real estate such as listings, purchase contracts, amendments, addendums or any other form pertaining to a transaction which is processed and subject to the approval of the company.

## **Professionalism**

When representing CanZell Realty, staff and agents should act and behave appropriately. Team members should choose to act in a manner which presents a professional image to the public and is respectful of others. This includes what is spoken in our offices, to our clients and team members and what is posted on social media. Please always be professional and kind to others.

## **Owner/Agent Buy and Sell Policy**

When an agent of CanZell Realty wants to buy and/or sell “listed” real estate, and keep the agent portion of the commission, Agent must have closed four transactions with the firm in 12 months. The share of the commission due CanZell Realty will be the \$395.00 transaction fee. Agent’s name **MUST** appear on the contract and the Closing Disclosure. CanZell Realty will allow Agent to buy or sell up to 4 of his/her own properties per year at this cost. Agents may buy or sell as a FSBO at no cost to CanZell Realty, provided CanZell Realty is not a party to the contract. Disclosure that Agent is a licensed real estate agent is required.

## **Earnest Money**

CanZell Realty will not handle any earnest money. The agent will be subject to immediate termination if it has been determined that there has been any improper handling of money.

## **Commercial Property**

**All commercial property listing, and income properties must be approved by their broker. Agents may not act outside their area of expertise.**

**The company Errors and Omissions policy limits are not sufficient to conduct commercial activities. Any and all commercial properties with a listing price above the current Errors and Omissions insurance, the agent must obtain their own insurance. Failure to do so is grounds for release from the company and the agent bears full financial responsibility.**

## **Unauthorized Activities**

**Following federal state and local laws/regulations as well as CanZell Realty policy, no business shall be conducted in the name of the company that doesn't pertain directly to the agents' duties.**

**Agents will not open any office space or bind the company to any agreements without written consent of CanZell Realty.**

**Agents shall not conduct property management services through company. Property management includes, but is not limited to, collecting rents, performing inspections, setting up repairs and maintenance, posting notices, and running a background check. Agents shall not make or assist with tenant selection for the landlord.**

**Selling or list to sell business opportunities, is prohibited.**

**A single agent shall not represent both sides of a sales transaction, if the agent or a family member of the agent is a principal or party to the transaction. Agent is aware that failure to follow this policy can result in loss of errors and omissions coverage and agent shall be responsible for all defense costs.**

**Agents shall not represent both sides of a transaction without full written consent from all parties executed prior to contract. Agent is aware that failure to follow this policy can result in loss of errors and omissions coverage and agent shall be responsible for all defense costs.**

# MARKETING AND ADVERTISING

## Advertising

- **Print/Online Advertising:**
  - **All advertising must be approved by the state broker before it can be used.**
  - **It is the agent's responsibility to ensure all ads are HUD and RESPA compliant and that the ads comply with all other state, local, and federal legal requirements and with the rules of the MLS or Boards are applicable.**

## General Advertising

**From time-to-time CanZell Realty agents and brokers may desire to run general advertising campaigns to get buyers and/or sellers to engage their services or attract talent to their organization or team. CanZell Realty has the right to require any agent or broker to provide a copy of a proposed ad for company review prior to publication. In its sole discretion and determination CanZell Realty has the right to compel any agent or broker to remove an advertisement if CanZell Realty deems it false, misleading, in poor taste, against the Agent Attraction Universal Pledge or reflects poorly on CanZell Realty or its agent, brokers or staff.**

### *Any general advertising must include:*

*"The statements and opinions contained in this advertisement are solely those of the individual author and do not necessarily reflect the positions or opinions of CanZell Realty, or its subsidiaries or affiliates (the "company"). The company does not assume any responsibility for, nor does it warrant the accuracy, completeness or quality of the information provided."*

## Signage

**On all personal listings, agents are able to brand their For Sale signs how they wish, within the guidelines of CanZell Realty branding and state regulations around team presentation. See the internal website for the most updated branding guidelines. It is the agent's responsibility to check with the COA or POA to find out what signage is allowed. Also, all signs must follow the following rules:**

- **Until the company has an executed listing agreement, no signs can be placed.**
- **Local, state and federal requirements must be followed.**
- **Agents must follow the MLS rules and comply. Most MLSs say you can't put a "For Sale" sign up before entering the agreement. Any fine due to the violation will be paid by the agent and not the state broker or CanZell Realty.**

## Marketing Materials

CanZell Realty shall have the right to use in perpetuity all flyers, pictures and promotional materials that contain Agent's photograph.

## Company Name/Logo

- Agents must read and comply with the CanZell Realty brand guidelines
  - Before the company logo or name is used it must be approved. Email [marketing@canzell.com](mailto:marketing@canzell.com) and local broker for approval.
1. Websites
    - a. There must be a prominent above the fold branding for CanZell Realty
    - b. All agents made real estate websites, including blogs, must have a link back to [www.canzell.com](http://www.canzell.com)
    - c. Any coding to hide the company links from the search engine is prohibited
  2. Domain Names
    - a. Use of the trademark CanZell Realty in the domain name is prohibited
  3. Business Cards
    - a. When using business cards make sure to include the following information:
      - i. Agent's title
      - ii. Agent's name as licensed
      - iii. Brokerage name

## Job Posting

In advertising, no agent should under false pretenses and/or offer what appears to be positions of employment with CanZell Realty. Also, agents can't advertise on job placement or posting websites, other than for building their direct team of agents.

## Blogging and other Social Media Postings

1. It is the agent's responsibility to ensure all blogs and online content are accurate.
2. If the blog is to be hosted on another site other than the agent's, approval should be obtained through [marketing@canzell.com](mailto:marketing@canzell.com).
3. After posting agents should monitor channels daily for the first week and weekly thereafter. Any false, defamatory or misleading comments must be removed.

4. Agents must comply with the standards of the REALTOR® Code of Ethics and all real estate laws, including local, state and federal laws (e.g., fair housing, antitrust, license, copyright, etc.).
5. Agents are prohibited from activity which violates any law, rule or regulation, including but not limited to, the terms of service of any social networks; Federal Trade Commission (“FTC”) rules; real estate license law; Securities and Exchange Commission (“SEC”) laws and rules; and Do-Not-Call and anti-SPAM laws.
6. All terms of service for the system the agent is using must be followed.
7. Agents may not impersonate another person and include this disclaimer on social media: “Opinions are my own and not the views of CanZell Realty.”

## **Social Media Networking**

Our agents are the face of CanZell Realty, with that agent will be professional in their appearance and their interaction on social media.

1. Agents should avoid aggressive language and arguments that could leave a bad image of CanZell Realty and/or impacts the agent’s business.
2. Agents are expected to respect the privacy of other CanZell Realty agents, staff, clients, and potential clients and agents, and may not use social media to make defamatory comments about the company or other persons affiliated with the company (e.g., staff, customers, vendors, contractors, service providers, etc.), or to attack or harass any person on the basis of race, gender, religion, age, physical or mental disability, marital status or civil partnership/union status, national origin, veteran status, ancestral medical condition, genetic characteristics, sexual orientation, gender identity or expression, or any other basis prohibited by applicable federal, state or local law.
3. Content such as racial, age, ethnic, sexual, religious, physical disability and attacks on political stances will not be tolerated.
4. Agents may not use social media to compete with the company or engage in conduct that could be a conflict of interest.
5. Agents on social media are expected to respect all applicable laws, including copyright, privacy, trademark and financial disclosure requirements.
6. Do not use social media to contact people without their consent.
7. If an agent sees something on social media that goes against this policy, say something.
8. Misleading and false content shouldn’t be posted
9. Using the CanZell Realty branding, official images, logos or other intellectual property without approval from CanZell Realty’s marketing department or using the name “CanZell Realty” in any public website domain or social media page is prohibited. To obtain approval, agents should email [marketing@canzell.com](mailto:marketing@canzell.com) and your local broker.

## Video

CanZell Realty agents will not share any recorded video that is intended for internal use. This includes social media and websites. Any video CanZell Realty views as misleading or doesn't accurately represent CanZell Realty will be removed. Sessions may only be recorded with consent of the attendees.

# **AGENT ATTRACTION**

## CanZell Realty Referral Network Program

1. Agents will be able to participate in the Referral Network program.
2. All leads for the CanZell Realty Referral Network Program will run through one specific system. The leads will be handed out based on the area in which the client is looking and the type of property they are looking for.
3. All CanZell Realty Referral Network leads will be followed up on daily by the ISA Manager and can be removed from the Referral Agent at any time if the manager feels Referral Agent is not handling the lead properly.
4. Lead Purchasing Program: Agents have the opportunity to purchase leads on a monthly basis. These leads will be driven directly to your personal website. They can be purchased directly through your kvCORE website.

## MENTOR PROGRAM

All new Agents to CanZell Realty with less than 4 transactions completed in the last 12 months, will be assigned a mentor. The mentor will train/support Agent on all procedures needed to be successful with CanZell Realty. 25% of the agent's net commission shall be paid to Agent's mentor. If at any point, an agent is unhappy with the coaching being provided by their mentor, they can switch to another mentor at their circle. Mentors are assigned to agents through their first four closings.

## Agent Attraction Universal Pledge

With the best practices CanZell Realty has established, all agents shall make themselves familiar with and follow the Agent Attraction Universal Pledge. Lacking in integrity and quality can discredit and/or harm the reputation of CanZell Realty. Any agents who have not taken the course and quiz and/or act in a manner that doesn't follow the pledge are subject to removal from CanZell Realty.

CanZell Realty agents may use the services of not more than one assistant to schedule meetings and telephone calls with prospective CanZell Realty agents and handle other administrative tasks related to agent attraction. To qualify as an agent's assistant for purposes of this policy, the person must be a full or part-time employee of the agent (not an independent contractor or third-party service) and subject to the control and supervision of the agent in all matters dealing with agent attraction. Agent attraction assistants shall not engage in substantive conversations with any potential CanZell Realty agent including, without limitation, describing the specific benefits of CanZell Realty. Except as allowed above, CanZell Realty agents may not use the services of any other person or firm to engage in any contact with potential CanZell Realty agents on behalf of the agent attraction agent.

### **Sponsorship Request from Clients/Donations**

CanZell Realty cares deeply for non-profit organizations. And as such, CanZell Realty will donate to non-profit organizations such as Homeless Shelters and Crisis Centers. CanZell Realty does all sponsorship in October for the following year.

### **Sponsorship for Parties and Events**

If an agent has a client or vendor that wants to split a party or event with them, at Applebee's for example, that is fine. At no time should an agent or client/vendor exchange funds.

### **Prospective Agents**

Agents shall not engage in the unlawful recruitment of prospective agents, including, but not limited to, intentionally and knowingly encouraging or facilitating a franchise broker/owner to (i) abandon their franchise prior to the expiration term in the franchise agreement or (ii) otherwise breach their franchise agreement to affiliate with company. Any violation of state or national law during agent attraction activities is, at company's exclusive election, grounds for termination of an agent's independent contractor agreement with company or exclusion from participation in the company's revenue share plan.

### **Avoiding Stock Solicitations**

CanZell Realty has a goal to go public in the near future. Once CanZell Realty goes public it will be important that agents understand and follow this policy. Also, federal securities laws generally require that, in the absence of an exemption, offers to buy stock, and solicitations regarding stock, need to be preceded by a filed registration statement relating to the offer. All agents of the company shall follow these guidelines for the protection of the company and those affiliated with it:

- Only an executive officer or director of the company can solicit interest in, or encourage others to buy the company's stock, or promote the company's stock as the basis for encouraging others to join the company.
- Only executive officers and directors who are authorized to speak on behalf of the company should discuss the agent equity program or similar stock incentives in any detail. Agents, whether on social media or in agent attraction efforts, should merely point out that such a program or incentives exist, and direct potential agents to company approved resources or publicly available information.
- Both in public and private conversations, including all social media platforms, agents shall not comment on the potential or projected growth of the company or its stock or encourage people to buy the stock or join the company based on the stock's growth.
- All directors, officers, employees and agents are subject to SEC Insider Trading regulations, which include the obligation not to disseminate confidential information of the company.
- Failure to adhere to these guidelines will result in immediate release from the company.
- Do not make or post income claims, including any income claims pertaining to revenue share and/or posting copies of revenue share checks or screenshots from CanZell Realty on social media. The FTC has very specific rules and guidelines for making income claims. Agents should never make any income claims during presentations.
- Hypothetical income examples which may be contained in company-approved and company-issued marketing materials and which are used to explain the Revenue Sharing Program, and which are not misleading or exaggerated, may be presented to prospective agents, provided such earnings examples are clearly and conspicuously identified as hypothetical.

## **CANZELL REALTY REVENUE SHARE**

**The CanZell Realty Revenue Share Program provides incentives, in the form of cash rewards, to CanZell Realty agents and licensed admin who actively recruits other real estate agents to CanZell Realty.**

- 1. How to Qualify. Refer a real estate agent to CanZell Realty by doing the following:**
  - 1. Initiate a recruiting conversation with a real estate agent and**
  - 2. Refer candidate and contact information on the Candidate Submission Form to your Managing Partner**
  - 3. Maintain communication and follow the directives of your Managing Partner.**

**The final qualification decision for the CANZELL REALTY Revenue Share program will be at the Managing Partner's discretion.**

**The CanZell Realty Revenue Share Reward**  
**10-85% of the Company Dollar\* of EVERY SINGLE CLOSING**

**\*Company Dollar is defined as that portion of a real estate brokerage commission received by CanZell Realty after all of the participating brokers have been paid, and after the applicable sales associates have been paid their portion of the commission and all fees have been paid.**

**All CanZell Realty associates who have a real estate license are eligible for the CanZell Realty Revenue Share reward. This includes all management, admin, and Inside Sales Associates.**

**2. PAYMENT OF CANZELL REALTY REVENUE SHARE REWARDS.**

**CanZell Realty Revenue Share Sponsor Rewards will be distributed to CanZell Realty associates monthly.**

**CanZell Realty Revenue Share rewards will be paid only if both the recruit and the sponsor are associated with the company at the distribution time, OR, if the sponsor is vested. A sponsor becomes vested for life after being an agent or employee of CanZell Realty for three years. Once vested, a sponsor will continue collecting rewards as long as their recruit is working for CanZell Realty. Should the broker and recruit's relationship terminate for any reason before the scheduled distribution date no reward will be distributed or owed. The broker and recruit relationship will not be considered terminated if the agent retires and has tendered his/her license to CanZell Realty.**

**Rewards to CanZell Realty associates will be reported on the associates' 1099 form but will not be included in commission earned for split consideration calculation purposes.**

**You may earn up to 85% of revenue share on the agents you have attracted based on the number of active agents on the day revenue share is paid out.**

	1+ AGENTS	5+ AGENTS	15+ AGENTS	25+ AGENTS
LEVEL 1	10%	15%	15%	25%
LEVEL 2	10%	10%	10%	10%
LEVEL 3	10%	10%	10%	10%
LEVEL 4	-	-	15%	15%
LEVEL 5	-	-	-	25%

	EARNING PERCENTAGE	ACTIVE AGENTS NEEDED	\$/CAPPING AGENT
LEVEL 1	10%	1+	\$1400
	15%	5+	\$2100
	25%	25+	\$3500
LEVEL 2	10%	1+	\$1400
LEVEL 3	10%	1+	\$1400
LEVEL 4	15%	15+	\$2100
LEVEL 5	25%	25+	\$3500
<b>POTENTIAL REVENUE</b>		<b>85% COMPANY DOLLAR!</b>	<b>\$11,900 PER AGENT DOWNLINE</b>

My LIPA Agents: The total number of ACTIVE agents sponsored on your tier 1, husband-wife teams count as 1 spot. To be active, the agent must have done either 2 transactions or \$5,000 in gross commission income in the last 6 months. (This is the number that goes towards unlocking tiers 4 and 5. Tiers 2 and 3 automatically are unlocked.)

Needs to be LIPA

## ONBOARDING NEW CANZELL REALTY AGENTS

**You must have Microsoft Office Suite, and an up-to-date computer to work with CanZell Realty Systems. Your computer must be free of malware, spyware, viruses, similar infections or suspicious software to protect company network. Removal and cleaning of systems to address pre-existing issues is the agent's responsibility. Systems severely infected may not be added to the network to prevent spread to other devices.**

## **TEAM POLICY**

**At CanZell Realty, we believe that allowing our agents to create Teams is an important way to build a healthy real estate practice.**

**If two or more agents decide to form a team, then they must register with the company as a Team and indicate the type of team that they're going to operate under. This registration must be completed and approved by CanZell Realty Management before the team can begin to operate as a team.**

**To register, the form must be completed on the internal site. Teams are required to keep their registration current; any changes need to be submitted within 1 business day.**

**When completing registration, the team must indicate the following:**

- 1) The team must identify a team leader, who will serve as the main point of contact for CanZell Realty Management.**
- 2) The registration must name all producing agents who will be a part of the team.**
- 3) If the team has a licensed administrative support agent, the team must identify who that person is. This person does not count towards the production minimums for the team.**
- 4) They must indicate which size team they're operating as. We have two different team size classifications:**

**Standard Team: 25-99 Transactions a year**

**Mega Team: 100 + transactions for the year**

**Once these requirements are met, then that team is able to equally share in all commissions among the team members, as they see fit.**

**Teams are allowed to make referrals to other agents outside their team and can receive referrals from other agents outside their team and can pay or receive a referral fee for that referral business. Teams are also allowed to have licensed administrative assistants, but that assistant cannot do any business other than completing administrative related tasks for team members.**

**For the purposes of any company contests, teams will be grouped together by team size, regardless of classification.**

**If teams wish to change their classification, they may do so, but have to finish out all deals first before moving to the new classification.**

**Teams wishing to dissolve their team must notify their MP in writing, provide a date the team will be dissolved, and outline how their business will be shut down.**

**Any team that includes two people who are married, or dating must work as the same type of agent and even if not registered as a formal team must operate as the same type of agent within the company.**

## **COMPANY TOOLS**

### **Preferred Vendors**

**If CanZell Realty provides Agent with a lead, it is recommended and preferred that the agent refer clients to the preferred Vendors (including but not limited to lender, insurance agency, home inspectors, pest control services and attorney).**

### **Email Facilities**

**CanZell Realty provides email addresses to all associates for the purpose of conducting CanZell Realty business. Email may be delivered by various providers from time-to-time as requirements and costs dictate. company email may be forwarded to other email addresses and systems, provided that the system provides a secure log-in with a minimum of two-factor authentication. Agents and staff will use company provided email accounts to communicate with other agents and staff as well as with clients. company provided email will be the official email used to communicate all company communication. Email should be checked regularly for important communication from the company or broker. CanZell Realty will also issue agent's a Slack and Workplace by Facebook username to communicate with each other. And for CanZell Realty to communicate with the agent.**

## **COMMISSIONS AND ACCOUNTING**

### **TRANSACTION MANAGEMENT POLICY**

**We believe it is mission critical that professional transaction management of each sale is handled within strict controls and processes to ensure we are ensuring a smooth process and clean files for our customers. We also believe this service frees up our agents to focus on what they do best, list and sell homes.**

CanZell Realty will provide in house transaction management for all agents in each of the states we serve at no additional charge to the agent. Each agent can choose from one of three options:

**Option 1: You use our in-house transaction coordinator.**

**Services Provided:**

- **Document QC at beginning of transaction: Checking to make sure all docs are in and complete with signatures and initials**
- **Welcome email to client: Includes a copy of completed ratified contract with all addendums, important dates and important contacts for the clients.**
- **Welcome email with all docs and important dates to lender, attorneys and agents: Includes a copy of completed ratified contract with all addendums, important dates and important contacts for all parties involved in the transaction.**
- **Regular follow up on important documents and tasks like: appraisals ordered, loan pay offs received, EMD receipts, Home Warranties ordered, etc.**
- **Reminders on important doc due dates: this will be included items like property inspection contingencies, due diligence timelines, etc.**
- **File check-ins on closing status includes requesting a copy of prelim CD as well as signed CD.**
- **Final QC of docs before closing funds disbursed: Checking to make sure all docs are in and complete with signatures and initials**

**Option 2: - You do your own transaction management for your file. When your file closes, you will be reimbursed \$200 at the closing. If a TC has to do any additional task, other than the QC checklist, you will forfeit the \$200 reimbursement at closing.**

**Services Provided by CanZell:**

- **Document QC at beginning of transaction: Checking to make sure all docs are in and complete with signatures and initials**
- **Document QC before closing funds disbursed: Checking to make sure all docs are in and complete with signatures and initials**

**Expectations of Agent:**

- **CanZell TC will only apply a QC checklist to your transaction. They will not do anything in addition to that checklist. If you decide at any point throughout a transaction, you will prefer the CanZell TC to handle it moving forward, they are happy to do that, you will just forfeit the \$200 credit when it closes.**

**Option 3: - You may hire your own TC. They can be a licensed CanZell agent, or if you live in a state that allows you to use an unlicensed transaction coordinator, they must be approved by CanZell Senior management. Once you file closes, you may submit for reimbursement up to \$200 to cover the cost of your transaction coordinator. You will need to upload proof of payment to your transaction coordinator in the form of either an hourly or salaries wage, or within the applicable laws of your state.**

**Services Provided by CanZell:**

- **Document QC at beginning of transaction: Checking to make sure all docs are in and complete with signatures and initials**
  - **Document QC before closing funds disbursed: Checking to make sure all docs are in and complete with signatures and initials**
- Expectations of your hired TC:**
- **CanZell TC will only apply a QC checklist to your transaction. They will not do anything in addition to that checklist. If you decide at any point throughout a transaction, you will prefer the CanZell TC to handle it moving forward, they are happy to do that, you will just forfeit the \$200 credit when it closes.**

**The outside transaction coordinator must be licensed in any or all states in which licensing is required and they handle any coordination licensed with CanZell Realty. Should the state regulations not require licensing, the managing broker must obtain a signed statement from the TC outlining that they will not perform any tasks which require a license in the state of business.**

## **Transaction Fee**

**All transactions will be charged a \$395.00 transaction fee. The agent will be ultimately responsible for this transaction fee. If buyer or seller does not want to pay the transaction fee, buyer agent or listing agent will be responsible for this fee.**

## **Executed Real Estate Agreements**

**All purchase and sale agreements, listings, referrals and any other transaction documents must be uploaded within two days of execution. The state broker must comply with the State Licensing Department rules.**

**Transaction files should include all documents related to the transaction. Agents are encouraged to make copies of their files. The company reserves the right to maintain digital files in storage for the statutory period as required by the State licensing departments. Unauthorized removal of any file from the transaction management system may lead to termination. Agents are expected to transact ALL real estate**

business through the company. Transactions that are processed outside of the company shall be grounds for immediate termination.

### **Late Paperwork Submissions**

It is important that all documents are uploaded and/or submitted before the deadline. Any documents submitted after the deadline is a violation of company policy and subject to an escalating fine and removal from CanZell Realty. A fine of \$150 shall be assessed for documents uploaded later than 10 calendar days after execution.

Any files with documents uploaded after 30 days of escrow closing are subject to a fee totaling 30% of the gross commission.

Any files with documents uploaded after 60 days of escrow closing are subject to a fee totaling 60% of the gross commission.

Any files with documents uploaded after 90 days of escrow closing are subject to a fee totaling 90% of the gross commission.

Any files that did not close and reached termination through expiration, cancellation, withdrawal or anything of the type that are not closed out in CanZell Realty transaction system with all state broker required documentation will result in commissions being held on any new closings until the old files are cleared up. Late fees as outlined above still apply. Any investigation and discovery made by the state broker(s) for compliance with laws because of agent negligence will be reason for an additional charge by company at company's sole discretion. Files uploaded at any time other than outlined above is not acceptable and will result in either a delay of commission processing or a fine, or both.

### **CanZell Realty Brokerage Fees**

\$100 Broker Review and Risk Management fee is charged on each file. A business license tax will be charged where applicable.

#### **1. Referral Network (35% Referral Fee).**

1. Someone who has contacted Inside Sales (ISA) and ISA creates an appointment for the agent by setting up time/date/place of meeting or transfers the lead to a CanZell Realty Network Referral Agent, via email, phone or text.

- 2. If a dual appointment is set by ISA for a client seeking to both list their current home and buy a new home, then both transactions are considered a 35% company referral.
- 3. This referral fee is in place for any transactions that close with this client for 24 months from the date that the referral is first accepted.

**2. Company Assisted (0% Referral Fee).**

- 1. Company generated client (CGC) that gives you a referral.
- 2. Referral from an employee or management (no referral due to CanZell Realty, the employee or manager may ask for a referral if they are licensed)
- 3. Company sponsored event (i.e., event booth, etc.)
- 4. Repeat clients that were given to you by the company that you have previously closed once the 24-month referral agreement expires from the date the lead was first accepted.

**3. Personal Sphere (0% Referral Fee).**

- 1. Leads that are retrieved by your own merits without any assistance from the company.
- 2. If a referral gives you a referral.

**Agent Commission Plan**

Net Closed Commission	Agent Rate	CR Rate
All Closings	80%	20%

EXAMPLE – Pre-Cap Closing at 80/20 Split		EXAMPLE – CAPPED (100% Split)	
\$5000 commission received	\$5000	\$5000 commission received	\$5000
<i>Fees taken out of agent side:</i>		<i>Fees taken out of agent side:</i>	
.69% deducted for BLT	- \$34.50	.0069 deducted for BLT	- \$34.50
\$100 Broker Review and Risk Management Fee	- \$100.00	\$100 Broker Review and Risk Management Fee	- \$100.00
\$5000 split 80/20		\$5000 split 100%	
80% to Agent (pre-fees): \$4000		100% to Agent (pre-fees): \$5000	
20% to CR (pre-fees): \$1000		0% to CR (pre-fees): \$0	
<b>Split 80% to Agent (after fees)</b>	<b>\$3865.50</b>	<b>Split 100% to Agent (after fees)</b>	<b>\$4865.50</b>
<b>Split 20% to CR (after fees)</b>	<b>\$1134.50</b>	<b>Split fees to CR (after fees)</b>	<b>\$134.50</b>

**\*Business License Tax (BLT)**

**\*\*Once you pay CanZell Realty \$14,000 in Company Dollar on personal referral transactions, you will be promoted to a 100% split for the remainder of your anniversary year on personal sphere transactions. See section 23 “Cap Info” for more details on this.**

**\*\*\*During the first four transactions, 25% the agent's portion will be paid to the mentor for their training time. This applies to all new Agents with less than 4 closed transactions\*\*\***

## **Required File Completion for Commission Payout**

**In order to receive commissions due on a closed transaction all required documents must be in the system. Should the file be incomplete or missing documentation the agents commission will be held up until such time as the file is completed.**

**Additionally, commissions on a fully completed files may be withheld at the discretion of CanZell Realty if the agent has any previously paid, closed or pending files that are not up to date with all required documentation.**

## **Listing Commissions**

**We are a full service real estate brokerage but from time to time, our agents have to discount their commission. Agents can determine their commission rate and any additional fees to their clients. However, whatever rate and fees that are charged to the client are then split with Canzell Realty at the typical commission split.**

**If an agent wishes to discount their commission rate and that agent has not reached their commission cap, the minimum transaction split to Canzell Realty is \$1,000. For example, you would want to charge the client a \$5,000 minimal commission so that the company 20% of \$5,000 is covered, giving CR \$1,000. ( $\$5,000 \times 20\% = \$1,000$ )**

**Therefore, an agent can reduce their commission completely to \$0 to the client but the agent would then be responsible to pay CanZell Realty \$1,000 for that transaction plus the broker review and risk management fee.**

**Additional commission in the form of bonuses, referral fees, cash for keys bonuses/ payments etc., will be paid to CanZell Realty and shall be divided in accordance with the above agent's commission schedule and Managing Broker.**

## **CANZELL REALTY Cap Program**

### **1. How It Works:**

**In most traditional real estate companies, the commission structures are set up so that the more you earn, the more you give away. At CanZell Realty, we believe that the harder you work, the more you should be rewarded. CanZell Realty offers Agents a commission cap, which means that after you hit the cap, you are promoted to a higher split for the remainder of your anniversary year.**

## **2. What is the Cap:**

**The cap for each CanZell Realty circle is \$14,000. This means that once you have paid CanZell Realty \$14,000 in company dollar on your personal sphere transactions, you will be promoted to a 100% split for the remainder of that anniversary year. Your year will begin on the first day of the following month from the date you signed on with the company and will automatically reset every year on that date. This means that no matter when you start, you have an entire year to prosper.**

**Ex. Agent joins the company on April 13, 2019. On January 1, 2020, the agent “caps” at \$14,000. From January 1, 2020- April 31, 2020, the agent will remain on a 100% split for personal sphere deals.**

**\*Note: The agent will receive 100% of the commission after applicable fees have been paid (BLT (if applicable), etc.)**

## **3. What is the half cap and quarter cap:**

**For agents who are on a standard team, the team leader has the regular \$14,000 cap, but members of the team have a half cap at just \$7,000! This is applicable for teams in which they do a minimum of 25 transactions per year and each team member pays their team leader a minimum of 25% of their commission on each closing.**

**For agents who are on a mega team, the team leader has the regular \$14,000 cap, but members of the team have a quarter cap at just \$3,500! This is applicable for teams in which they do a minimum of 100 transactions per year and each team member pays their team leader a minimum of 25% of their commission on each closing.**

*Let's look at an example to explain how this works:*

**Team ABC has three agents on it and Sally is the team leader. The other two agents on the team will cap at \$7,000 each, then moving to a 100% split. The team leader cap, Sally remains at \$14,000.**

**For purposes of reaching the cap, the company portion of the commission, will be allocated to team members based upon the same percentage allocation of how the agent portion of the commission is paid out between the team members.**

**In order to be eligible for the reduced cap for team members, teams must: pay the Team leader at least a 25% Split on Each Commission earned by a team member. Team Leaders can only share/allocate a small amount, no more than 25%, of commissions on transactions they close to members of their team.**

Two or more agents may form a partnership in which these agent's market together and work together, but don't share in each other's commissions. In these cases, the cap requirements don't apply because each member of the team has their own \$14,000 cap.

And finally, if the team members are married, they will share a \$14,000 cap, but all commissions must be run through one member of the team, even in the case of handling a buyer and a seller on the same transaction.

#### **4. Who Is Eligible:**

All agents are eligible for the CanZell Realty Cap Program.

**\*If a CanZell Realty agent does not reach their cap in a year, they DO NOT have to make up the difference, the cap is simply a max payout per anniversary year.**

**\*After an agent has capped, they will remain responsible for a \$395 Transaction Fee for each closed transaction. If CanZell Realty is doing the transaction. If not it's \$195 fee. This fee may be paid by or split with their buyer or seller but will not be paid for or split by the company.**

## **1099**

On or before January 31<sup>st</sup> of the year following their earnings, agents will receive their 1099 form. All earnings are reported, that includes commission, revenue shared and influencer bonuses. All information reported to the Internal Revenue Service is reported on a cash basis. Thus, all commissions reported are based on the year in which the agent was paid. For example, if a home closed for a client on December 30, but CanZell Realty did not receive final paperwork until January 2, and the agent was paid on January 3, that transaction will be included on the next year's Form 1099. For any questions on the 1099 please speak to a tax advisor for proper reporting.

## **Commissions and Other Fees From Clients**

Commission will be made payable to the name or entity that is on file with the State Department of Licensing and the current W-9 CanZell Realty has on file. The name on file with the Department and the name on the W-9 must match for payment to be rendered by company to agent. If the agent elects to be paid as a PC or PLLC, LLC or Corporation/Company name, as allowed by state and federal law, agent must amend his/her W-9 to reflect the proper name and tax identification number of the entity and advise company of the same. Agent shall not be paid in the name of a PC or PLLC, LLC or Corporation/Company name without complying with all State Department of

Licensing rules and regulations as well as federal and state law. All commissions must be payable to the company including but not limited to retainers, rental commissions, administrative fees, document storage fees, broker price opinions, and any additional fees charged to the consumer by the agent. Agents shall at no time accept checks made payable to themselves directly from clients. All commissions and fees are subject to the company commission splits. Any agreement to share commissions between agents within company shall be done so in writing. All agreements shall be uploaded and stored in the transaction management platform. In the absence of a written agreement between agents, the company shall pay the entire agent share of the commission to the agent(s) whose name(s) appear on the transactional document between the principals (to be divided equally between those agents if more than one and not otherwise specified.) The company will make the final determination regarding commission disputes between agents licensed with the company. Any sales incentive's, gifts, and/or bonuses received shall be paid to CanZell Realty. CanZell Realty treats bonuses, gifts and incentives as any other commissions and will pay the agent based on the agent's current split.

### **Commission Advances**

(CanZell Realty does not offer commission advances.) Commission advance's may be obtained in accordance with the following:

1. All commission advances must be approved in writing by the state broker(s) in advance.
2. Prior to signing the commission advance agreement, the agent must have the listing file (with an accepted contract) or the transaction file in CanZell Realty transaction system and it must have passed the approval process.
3. Agent may not have more than one open commission advance at any given time, regardless of whether it is a listing advance or sales transaction advance.
4. Agent may only receive up to 70% of the net commission due to the agent.
5. Advances shall only be approved for transactions that are under contract and pending close.

### **Unpaid Commissions or Procuring Cause Claims**

CanZell Realty, solely, will make the decision to proceed with legal action, mediation or arbitration against a party owing a commission to CanZell Realty. The company shall not have any monetary obligations to the agent or any other party, resulting from brokerage fees and/or commissions that are uncollected. Agents may obtain independent counsel as desired to pursue and/or defend their position during mediation or arbitration. company shall not supply counsel to pursue these items. Should the agent be named in a mediation or arbitration as the respondent, the company reserves the right to require the total amount of the disputed commission

is held by the company until the mediation or arbitration results are received. Should the company and the agent not prevail, the agent agrees to pay all commissions amounts immediately to company. An agent does not have the authority to reduce, defer or replace any portion of the Company's splits or fees without the written consent of the state broker(s) or the company and will vary by state. Check with your state before acting.

## **Referrals Payments and Relocation Companies**

Referrals will be paid out with all State Department of Licensing rules and regulations. All third-party referrals are subject to the company split and the company cap rules. Outbound referral fees are taken off the top of a transaction and directed to the referral/relocation companies. Agent shall not do ongoing outbound referrals as a method of effectively reducing the company dollar percentage. If an agent is referring a large percentage (in the opinion of the company) of his or her business to another firm, the company may require that agent provide documentation showing equitable work being completed by the other agent and firm to the transactions in question. If in the opinion of the company equitable work is not being completed by the other firm or agent, the company will withhold the company dollar percentage and/or transaction fee on the entire transaction before paying the outbound referral.

## **COMPLIANCE**

### **Antitrust**

Commission rates of CanZell Realty are based on the value of the services provided as well as the market. The listing party determines the commission rate. At no time shall the agent participate in any discussion with individuals affiliated with any other company concerning commission rates. At no time shall the agent infer the commission rate is uniform or standard.

### **Conflicts of Interest**

Agents shall avoid engaging in activities that would result in a question of business ethics or a compromise in the agent's loyalty to the company or clients. When purchasing a company listing it must be disclosed, in the contract, that the associate is a member of the company. Additionally, no agent shall be involved in any form of settlement service or receive income or benefits "for value" directly from a settlement service company while actively licensed with the company.

## **Data Security and Client Privacy**

As an agent at CanZell Realty, you will come in contact with personal and confidential information, during your transactions. All agents of the company are expected to become familiar with and follow a course of action with all personal and confidential interest that is in alignment with all local, state and federal laws regarding data security and client privacy. If agent fails to secure their client's data and confidential information, agent will defend, indemnify and hold the company, and its principals and affiliates harmless against any and all claims, complaints or actions that may arise from such a departure. In addition, failure to comply with this Policy is grounds for the immediate release of agent's license and removal from the company.

## **Do Not Call Rules**

Agent must stay up to date on rules relating to the National No Not Call Registry: See: <http://www.ftc.gov/donotcall> All cold calling must be done in compliance with applicable laws, state and national. The agent will be responsible for any fines incurred from cold calling.

## **Drug and Alcohol Use**

While engaging in real estate brokerage services or company work, agents are prohibited from possessing, selling, consuming alcohol or drug. This includes smelling of alcohol or being under the influence of any drug. (Except authorized by a physician)

During a transaction agents should discourage any drug or alcohol use. If anyone in the party is under the influence of drugs or alcohol, the agent should end the day's activities.

## **Errors & Omissions Insurance**

Agent is aware and understands all dual agency transactions must contain a fully executed consent for dual/limited representation form, completed prior to purchase/sale contract execution, in order to preserve the right to errors and omissions insurance coverage on the file. Agent is aware that if they fail to obtain such written consent, the file may be excluded from coverage and agent shall be responsible for the full amount of the damages, attorneys' fees, and costs incurred by and/or recovered against company.

## **Harassment**

Any form of harassment, including but not limited to, verbal, physical or sexual will not be tolerated and will be taken seriously by CanZell Realty. All reported or suspected occurrences of harassment will be promptly and thoroughly investigated. Any agent that is found to have harassed another agent, employee, client, customer or any member of the public shall be immediately, and without warning, released from the company at the company's sole discretion. If agent feels they have been harassed in any way, agent shall notify the state broker or a member of the corporate team immediately. The company will not permit or condone any acts of retaliation against anyone who files harassment complaints or cooperates in the investigation of same.

## **Intellectual Property Rights**

Agents shall become familiar with and adhere to all laws, rules and regulations regarding intellectual property rights and their real estate business. "Intellectual property" refers to all major forms of legal protection of intangible rights protected by the law, including copyright, trademark, patent, trade secrets, design rights and the like. Agents shall acquire, use and deal in only licensed copies of copyright protected material, and genuine articles of trademark and patent protected products, in carrying out the agent's and company's business.

## **Judgments**

At any time, legal judgment, order or decision comes against an agent, including but not limited to, DUIs, felonies, bankruptcies, foreclosures, UCC filings and tax liens, the agent must notify the broker and company immediately in writing.

## **Non-solicitation**

The Agent agrees not to solicit, recruit, employ, or entice (either for himself/herself or another) company partners, affiliates, salespersons, agents and/or employees to leave company during the agent's association with company. This obligation shall continue for a period of two years after the termination of association of agent with company.

## **Reporting Problems**

We understand as agents at CanZell Realty you are independent contractors and must keep the company informed of their activities. Agents shall immediately bring any of the following situations to their state broker's attention and shall immediately provide the company with copies of any correspondence or legal process in connection with such situations. Failure to timely notify the state broker(s) and the company shall result in termination from the company.

1. Any substantive complaint involving a real estate transaction or the providing of real estate brokerage services, whether brought by a client, the state real estate licensing authority or a third party.
2. Any disclosure, or potential disclosure, of confidential client information.
3. Any accident or injury that occurs while providing real estate brokerage services.
4. Any criminal charge against an agent other than a traffic infraction.
5. Any civil suit, subpoena, or other legal document concerning real estate activity of agent.
6. Any contact by or with the state real estate licensing authority.
7. Any threat of any legal or administrative action against agent or company resulting from agent's real estate brokerage services.
8. Any act of discrimination.
9. Any unresolved dispute with another agent or a real estate professional affiliated with another brokerage firm.
10. Any foreseeable dispute or problem relating to the payment or collection of a commission.
11. Any other situation involving professional real estate activity that could lead to liability on the part of the company or anyone associated with the company. Any notification received from the state real estate licensing authority regarding the status of agent's real estate license.

## **OFFICE POLICY**

### **Agent Business Expenses**

At no time shall CanZell Realty be responsible for any expenses incurred by the agent, unless approved in advance and in writing by the broker. No inducements, including inspections or other services associated with real estate brokerage services customarily paid by customers or clients, shall be offered or paid by agent

without advance approval by the state broker(s), and then shall be at agent's sole expense. At no time shall the agent charge any undisclosed commission or profit.

## **Assistants – Unlicensed**

The company fully supports the use of licensed and unlicensed assistants by the agents. With the use of the assistant's, agents have more time to maximize earning potential.

Agents are responsible for training assistants, making sure they are familiar with and abide by all office policies and procedures and are familiar with and abide by all state regulations. The agent must go over the policy and procedures manual with the assistant and have the assistant sign a form acknowledging that they have read and are familiar with the manual.

An unlicensed assistant may not:

- Host an open house.
- Solicit sellers or buyers in any manner.
- Provide advice or guidance to a consumer with regards to a listing contract or a contract of purchase and sale.
- Meet with owners to obtain or renew listing agreements.
- Present or negotiate an offer.
- Communicate with consumers about real estate transactions.
- Be paid from the commission at closing or be paid commission in any way, regardless of timing.
- Open listings for clients or prospective clients.

An unlicensed assistant may:

- Perform office filing.
- Fill out a document at the instruction of the agent.
- Place or remove signs.
- Witness signatures.
- Perform agent's bookkeeping.
- Draft correspondence for approval by the agent.
- Draft forms for review by the agent.
- Make and deliver copies of any public records.

## **Assistants – Licensed**

Licensed Assistants are bound by the same licensing requirements as an agent including, but not limited to, executing an ICA and fully associating themselves with the company. They shall pay all fees associated with and follow all policies and

procedures of the company. Licensed assistants may only assist other company agents and may not work for or with any agents outside of the company. Any licensed assistants or transaction coordinators must have their license affiliated with company.

## **Contact Information**

Agents **MUST** use their legal name as it appears on their real estate license in all advertising, on contracts and in all real estate correspondence. Agents using any name other than their full legal name may only do so if allowable within their state and must have their state broker(s) approval. All business that corresponds to a transaction must be sent to office and not the agent's home. No personal mail for the agent may come to the office. Any change in address must be sent to the broker immediately.

## **Contacting the State Broker**

Each state has their broker, please review who is that and the best way to contact your broker. Outside business hours please call or email your state broker directly.

## **Influencer Award**

Once an agent has hit Influencer status, they are eligible for their additional \$6000 in company stock issued by CanZell Realty Global Holdings. This is a common stock which vests after 3 years, and stock will be issued and released as long as Influencer Agent remains licensed exclusively with CanZell Realty during the three-year vesting mark. They will remain in Influencer status for the following anniversary year, and each year thereafter as long as they teach their required monthly class and continue to hit the Influencer production requirements.

Shares will be added to the monthly company release once Influencer has submitted their class contribution request. Influencer will be awarded a maximum of \$500 in stock per month for approved classes taught for a total of \$6000 in ownership stock during their Influencer benefit year. These requests for approval must be submitted no later than the 5th of the month following the class that was taught in order to be eligible to receive the stock award. If they do not request it, or do not teach a class during a month, they will not receive the stock for that month.

## Physical Office Space

CanZell Realty is a cloud-based office and doesn't invest in physical brick and mortar infrastructures, except where required by law. If an agent needs an office space they should contact their broker, local affiliates, title and escrow companies or lenders for office space to meet clients.

## **OFFBOARDING**

**1. Notice Upon Cessation of Affiliation.** When an Agent ceases to be affiliated with CanZell Realty, CanZell Realty will contact, via email or phone, all CanZell Realty's Referral Network clients for whom the Agent was, at the time of the departure, currently handling active matters in order to notify them of the departure and to inform them of the agent(s) who will instead be handling the clients' matters.

**2. Ratified Contract.** In the event Agent ceases to be associated with CanZell Realty, there are a few options that they may exercise.

**NOTE: THE COMPANY KEEPS NO EXTRA COMMISSION WHEN YOU LEAVE.**

- 1. If you keep your license active through the end of the closing, you will be paid your full commission.**
- 2. If you move your license before the closing has occurred the following referral fee will be paid to the Managing Broker completing the closing.**

**NOTE: CANZELL REALTY WILL NOT TAKE ANY ADDITIONAL MONEY FROM THE COMMISSION.**

When an agent departs, if there is a deal that is under contract that has not closed, and you choose not to keep your license to close it out, the deal will go to the Managing Broker of that circle to finish out the deal. If that Managing Broker is not available, the principal broker will assign it to a Managing Broker in another CanZell Realty circle. The departing agent will not be able to choose another CanZell Realty agent to complete the deal, it must be done by a Managing Broker.

The Managing Broker will decide on the referral fee due to them from the closing based on the amount of time and work left on the deal. The minimum that they will require is a 5% referral fee - even if it is closing tomorrow with no work needed. The referral fee due is at the sole discretion of the Broker.

If the agent has a ratified deal, buyer or seller, and chooses to release the deal and re-write it under their new firm, CanZell Realty will be getting the entire commission from the new Brokerage. This is unethical and we will immediately fully enforce the CanZell Realty policy legally and of the law.

**If this happens, the following will happen:**

- 1. Broker will call the buyer and let them know they are under Buyer Broker with the brokerage and if they release and close with another brokerage, they are exposing themselves to liability to be sued for the entire commission due to the Brokerage.**
- 2. Broker will call the new brokerage to let them know of the ethical violation about to occur and potential legal issues to follow.**
- 3. Broker will call the agent to let them know of the ethical violation about to occur and potential legal issues to follow.**
- 4. State Board and Realtor violations will be filed.**

**If your license does not remain active with any firm, no referral fee will be able to be paid.**

**3. Non- Ratified Contract. If Agent is working with any CanZell Realty buyer in CanZell Realty's Referral lead system or a buyer with a buyer/broker contract with CanZell Realty and Agent ceases to be associated with CanZell Realty, the buyer will be transferred to another CanZell Realty agent, and no compensation or commission will be given to Agent.**

- 4. Company Listings. All CanZell Realty Referral lead listings will remain with the brokerage. The broker is responsible for contacting the client to let them know if the agent leaving the company and the agent may not contact the client to let them know of their brokerage change. In the extreme case where the broker has confirmed the client is unwilling to stay with CanZell Realty, the broker and upper management must approve a transfer.**

**If a transfer is allowed, the following to be paid:**

- \$100 fee to withdraw the listing from CanZell Realty**
- 50% referral fee to CanZell Realty when the listing closes**

**5. Personal Sphere Listings. If the listing is a personal sphere lead, only the \$100.00 fee will be due, with no additional referral required. Agent shall disclose in writing the foregoing obligation as to referral fee to any broker with whom Agent shall affiliate.**

**If a listing is withdrawn without paying the \$100 fee and is re-listed at your new brokerage within 60 days of departure, a \$100 fee will be due to CanZell Realty from your next commission at your new brokerage and that fee will be split with the Managing Broker of the circle in which you left.**

**In order to be paid your referral fee, you must have an active license with your state. If the closing happens within 30 days of your departure, CanZell Realty will pay you directly. If it happens more than 30 days after your departure, CanZell Realty will**

pay your new brokerage. If the contract falls through and must be started again, no referral fee will be paid to you.

## **Incapacitation or Death of a CanZell Agent**

**In the event that an Agent is unable to carry out his or her work as a real estate agent and is no longer able to actively work towards sponsoring and supporting agents into CanZell Realty due to their permanent incapacity or death, Agent has the right to transfer their revenue share to an heir or legal representative or guardian who is legally authorized to act on Agent's behalf or Agent's estate's behalf. They may be substituted as the agent of record for the Agent in the Revenue Share Program. For a program substitution to be approved, the proposed substitute must meet the following conditions, in the following order: 1) be approved by CanZell Realty and the CanZell Realty's Broker for the state where the substituting agent will be licensed; 2) submit a written legal opinion from a licensed attorney in substitute's state of licensing that states the plan of substitution contemplated complies with all applicable local, state and federal laws, rules and regulations; and 3) complete all onboarding steps and state licensing requirements to properly join CanZell Realty as a licensed real estate agent with 3 months of the date of permanent incapacitation or death of Agent. If the plan of substitution is approved and the substitute properly joins CanZell Realty, the terms and conditions of the Revenue Share Plan shall then apply to the approved substitute.**