

The Golden Key Realty
Office Policy
And Procedures Manual
For
Associate-Licensees

2022

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1. About the Company.

Located in the city of Whittier, California, and affiliated with Rancho Southeast Association of Realtors, The Golden Key Realty has been dedicated to serving the residential market of Los Angeles County since 1,998.

Our mission is to offer quality real estate services to the community, and 100% commission compensation plans to Associate-Licensees at reduced Brokerage fees.

2. Independent Contractor Relationship.

2.1 Agent relationship.

You are associated with this company as an Independent Contractor.

Neither federal or state taxes, nor Social Security contributions will be withheld from your compensation. As an Independent Contractor you will receive an IRS 1099 tax form at the end of each calendar year for tax purposes.

Associate-Licensee is also considered an Independent Contractor for purposes of unemployment Insurance. The company provides workers compensation insurance for Broker's own protection.

2.2 At-Will Status/Termination.

You are associated with the company on an at-will basis, and for an unspecified term. Either party may end their association at any time with or without cause or reason. If the association is terminated while you have pending transactions, the Broker will designate another salesperson to perform the required work.

A reasonable compensation to the other Agent(s) will be deducted from your commission.

You can take with you the listings for which no escrow has been opened.

2.3 Hiring Package Documents.

Associate-Licensee is required to provide Broker the following documents duly executed to start the process of employment:

- Agent Information Form.
- Independent Contractor Agreement.
- Office Policy and Procedure Manual.
- Commission Schedule.
- W-9 IRS Tax form.
- Photocopy of social security card.
- Photocopy of valid driver's license.
- Copy of car insurance statement naming Jose Collantes/The Golden Key Realty as additional insured.

3. Policies and Procedures.

3.1 Responsibilities.

You are responsible to work in compliance with these Company's Policies and Procedures. Read them carefully and initial the bottom of each page.

3.2 Changes in Manual.

Changes to policies and procedures can be made at any time by the Company.

When changes occur Associate-Licensees are informed by e-mail and/or through

the Company's web site.

3.3 Conflict between the Policy Manual and the Contract Agreement.

In the event of a conflict between this Policy Manual and your Independent Contract Agreement, the terms of this Policy Manual shall prevail.

4. General Procedures.

4.1 DRE Licensing and Requirements.

You are required to maintain a valid California real estate broker or salesperson license in good standing while associated with this Company. If your license expires, you may not engage in any activities on behalf of the Company for which a real estate license is required. The Broker may designate another company's salesperson to handle your prospects, listings and transactions during the time your license lapses, and allocate reasonable compensation to that salesperson for work performed.

The Company's Broker is charged by California law to review, supervise and manage the activity of all salespersons. It is your responsibility to meet the education requirements of the California Department of Real Estate and to renew your license in a timely manner.

If your license's status shows "expired" on the DRE website, you have 45 days to change your status to "active", otherwise your employment relationship with the Company will be terminated.

4.2 Trust Funds Handling.

It is of panoramic importance that you know and understand that the Broker of this company **DOES NOT** have a trust fund account. **IN CONSEQUENCE, UNDER NO CIRCUMSTANCES WILL YOU RECEIVE EARNEST MONEY DEPOSIT CHECKS OR MONIES IN THE FORM OF MONEY ORDERS, CASH OR OTHERWISE REGARDING TO GOOD FAITH DEPOSITS, ADVANCE FEES, HOME INSPECTIONS, APPRAISALS, CREDIT REPORTS, REPAIRS, PEST CONTROL, OR OTHER SERVICE RELATED WITH A REAL ESTATE TRANSACTION WHILE YOU ARE REPRESENTING THIS COMPANY.**

WHEN REPRESENTING A BUYER, HAVE YOUR CLIENT MAKE THE DEPOSIT DIRECTLY TO THE CORRESPONDING ESCROW COMPANY, AND PROVIDE YOU WITH A COPY FOR YOU TO PRESENT THE OFFER.

THE ESCROW CAN SEND A MESSENGER TO PICK UP THE CHECK AT YOUR CLIENT'S HOME OR WORK.

YOU DO NOT VOLUNTEER TO TAKE THE DEPOSIT TO ESCROW. THIS COMPANY HAS ZERO TOLERANCE OF ASSOCIATE-LICENSEES GETTING IN CONTACT WITH CLIENTS' FUNDS.

You may provide the client with the needed information for them to drop off the deposit to escrow.

Neither the Broker, nor the Associate-Licensees of The Golden Key Realty hold clients' deposits in any form, cash or checks.

YOU ARE NOT AUTHORIZED TO RECEIVE CLIENTS' DEPOSIT CHECKS, CASH OR MONEY ORDERS, NOT EVEN WITH THE INTENTION TO TAKE THEM TO ESCROW.

WHEN REPORTING AN ACCEPTED OFFER, YOU ARE REQUIRED TO REPORT HOW THE EARNEST MONEY WAS HANDLED.

4.3 Professional Conduct.

As a Licensed Real Estate SalesPerson, you are expected to be familiar and comply with the Code of Ethics, related State and federal laws and regulations.

4.4 Broker's Support.

Broker's support is available Monday through Saturday from 9:00 A.M to 7:00 P.M by phone, by email or by video conferencing.

4.5 Office Space.

The Golden Key Realty doesn't provide a physical working place for the Agents. Our way to do business allows Associate-Licensees to work from their homes, own offices, or from wherever they want. By minimizing our overhead costs we are able to pass the savings to our agents in the form of reduced Brokerage fees.

4.6 Maintaining Records.

You are responsible for maintaining organized records of all your real estate activities including your Listings and Purchase Agreements, and all other documents in connection with a real estate transaction, whether the transaction is

consummated or not. All files and documents pertaining to listings, and transactions are the property of the Broker and shall be delivered to Broker by Associate-Licensee immediately upon request or termination of this Agreement.

4.7 Multiple Listing Service. M.L.S.

Besides Rancho Southeast Association of Realtors, the Company plans to affiliate with local Multiple Listing Services as needed.

Your affiliation with an MLS service is required. However, your affiliation with the National and California Association of Realtors is only recommended.

As a member of an MLS service you must abide by their rules and regulations.

You are responsible for the payment of all fines imposed against you and/or the Company as a result of your inappropriate use of their services or products.

4.8 Expenses and Deductions.

All expenses incurred by the Company on your behalf that have not been paid accordingly with the Company policy may be deducted from your next commission payment.

4.9 IRS Form 1099.

At the end of each calendar year the Company will provide you with a 1099 IRS Form for tax purposes. You are encouraged to maintain records of your earnings and expenses and obtain professional tax advice.

4.10 Policy against Identity Fraud.

Identity fraud is a serious crime. You are expected to take all preventable steps in

handling consumers' sensitive information. You must treat with a high degree of care and confidentiality the files containing clients' personal data. Documents containing clients' personal information should be kept in a secure place inside a locked cabinet, so that you are the only one who has direct access to them.

4.11 Disclosing on Personal Transactions.

When you buy or sell a property in which you have an ownership interest, or when you have a special relationship with the buyer or the seller, you must disclose it in writing, as well as when you intend to acquire financial or legal interest in a property.

4.12 Transaction Coordinator service.

The Company provides this optional service through third parties.

If you want to use the services of a specific transaction coordinator, you should submit his/her information to the Company to get approval before you start sharing your transaction files with the transaction coordinator.

4.13 Errors and Omissions Insurance.

Errors and Omissions Insurance is mandatory. The Company negotiates with insurance companies adequate policies at reasonable premiums, passing the savings to the Associate-Licensees. The premium per transaction is deducted from your commission check.

4.14 National Do-Not-Call List Compliance.

It is your responsibility to familiarize yourself with the actual FTC rules and regulations for the national Do-Not-Call List. If you read Section VI 109-119 and Section IX 136-145, you will have the information you need to know to stay on the right side of the regulations. You must comply with State and Federal Do-Not-Call laws which prohibit and penalize telephone solicitations to residential and cellular phone numbers registered on the national Do-Not-Call Registry. You will be exclusively responsible for any violation which could make you and/or the Company subject to fines, settlements, and attorney's fees.

4.15 Recruiting Bonus.

Invite other agents to join and The Golden Key Realty will pay you a bonus of one time \$100 for each Associate-Licensee after they close their first transaction.

5. Resolution of Disputes.

5.1 Intra-office Disputes between Associates.

First and foremost, the Associates in conflict must try to come to an agreeable mutual settlement and NEVER involve the client in the dispute.

In the event the Associates cannot meet a satisfactory agreement, the Broker shall hear both sides of the argument in a meeting with the involved parties. If a legitimate dispute exists, the Broker will make a determination of action to follow. In the event the Broker's action is not satisfactory, a committee of three neutral parties engaged in the practice of real estate shall be invited by the Broker to act as jury and render a final decision.

5.2 Disagreement between Broker and Associate-Licensee.

Any real estate business related practice unresolved between the Associate-Licensee and the Broker will be submitted for arbitration to the Broker's local Association of Realtors. The arbitrator's decision shall be final and the Broker and Associate-Licensee must abide by the decision of the arbitrator.

5.3 Third Party Disputes.

It is your responsibility to immediately notify your Broker about any claim or dispute involving you, and or the Company, and a third party.

If the Company determines that it is in its best interest to resolve a dispute during escrow rather than risk a potential litigation after close of escrow, the Broker has the right to negotiate a resolution even if it involves a reduction in the commissions to be received by the Associate-Licensee and by the Broker. The Golden Key Realty will make all reasonable efforts to resolve the dispute informally before taking the case to arbitration or to the court.

6. RESPA Compliance.

As a Real Estate professional, it is your responsibility to be familiarized and comply with the **Real Estate Settlement and Procedures (RESPA)**. This legislation helps consumers become better shoppers for settlement services, and prohibits kickbacks and referral fees that unnecessarily increase the costs of real estate settlement services.

Violations of Section 8 anti-kickback, referral fees and unearned fees provisions of RESPA, are subject to civil and criminal penalties that include fines up to \$10,000 and imprisonment up to one year. In general, most violations to RESPA are reported by other real estate agents.

6.1 Referrals to non-licensed people.

Under no circumstances you offer or advertise to give anything of value to non-licensed persons including but not limited to friends, relatives, past clients, the general public, etc. as reward for them to refer business to you. That is a RESPA violation.

Referral fees to non-licensed persons is illegal.

The only non-licensed person to whom you can give something of value without violating RESPA is your own client.

6.2 Lenders' Flyers.

You must not accept that a lender graciously provides flyers to be distributed in an Open-house promoting your listing(s), even if the only thing the flyers do is to show calculations for various down payment scenarios. That is a violation of RESPA. If the flyers do not promote your listing(s) then, they can be distributed with no problem. Don't set yourself up for a RESPA violation report.

7.0 Fair Housing.

The primary purpose of the Fair Housing Law is to protect the buyer/renter of a dwelling from seller/landlord discrimination. Its primary prohibition makes it unlawful to refuse to sell, rent, or negotiate with any person on the basis of race, color, ethnicity, gender, marital status, religion, physical disability, sexual preference, age, national origin, or families with children. The goal is a unitary housing market in which a person's background (as opposed to financial resources) does not arbitrarily restrict access. Victims of housing discrimination need to go through HUD or any other governmental agency to pursue their rights. The Fair Housing Act confers jurisdiction to hear cases to federal district courts.

7.1 Equal Opportunity Housing Policy.

You will conduct all your real estate business activities in such a way that they reflect an equal opportunity housing policy free of discrimination. That is the law. That is our Company policy, and that is the minimum expected from all and each agent associated with The Golden Key Realty.

8.0 Training Policy.

As active participant in an industry that is always evolving to serve the needs and demands of society, The Golden Key Realty believes that education and training are the best strategies to provide quality service to consumers and to protect our Agents against unintentional break of the laws and regulations. You are required to get the training the Company deems necessary to provide a first class professional service.

9.0 Advertising Policy.

All forms of promotion done by the Associate-Licensee, including marketing brochures, newspapers, internet, social media, magazines, TV, and radio ads, must comply with the nondiscriminatory goals of the Fair Housing Act.

Avoid using [language](#) that indicates a bias against a protected class. Describe the attributes of the property, not the characteristics of the prospects you think would like it. To avoid breaking the law unintentionally, consult the National Association of Realtors “Fair Advertising Practices”.

All advertising and marketing materials must be approved by the Broker before they are publicized. You are required to use the term “Licensee”, “Agent”, “Realtor”, or “Broker” and your DRE License Number on all your advertising materials and keep a copy for a period of two years as evidence of your permanent compliance with the law.

10.0 Electronic Communications.

As Real Estate professional you should be aware that the electronic communications have exceptionally enlarged our ability to communicate with prospects and clients, but also they have created new potential risks for lawsuits in our litigious society. You will always exercise the highest degree of ethics in developing your business activities. It is your responsibility to get informed about the **email laws and regulations**. Promoting trust and confidence on the Internet through honesty and fair practices should be pillars on your daily use of electronic communications. You will always avoid the use of offensive or improper messages that could be ground for discrimination or harassment law suits. Due to legal and marketing reasons, the use of disclaimers on your emails is highly recommended. There are some threats that disclaimers can help to protect against: Accidental breach of confidentiality, transmission of viruses, and negligent misstatements.

10.1 emails relating to real estate transactions.

To ensure that you always have appropriate evidence to back up your integrity and compliance with State and Federal laws that regulate the communications on the Internet, keep your mails at least three months after each escrow closes.

10.2 The Golden Key Realty's Privacy Policy.

The Golden Key Realty understands that the security of your private information is a valid concern. We recognize the importance of protecting the privacy of the information collected from our Associate-Licensees.

We respect your privacy and take your personal information seriously. We don't disclose it to third parties without your consent, except when we act on your behalf, or when we are required by law or we believe it is appropriate regarding efforts to prevent or investigate suspected fraud or illegal activity.

10.3 Associate-Licensee's Website Privacy Statement.

If you maintain a website as part of your activities to conduct your real estate business, you need to include a Privacy Statement according with our Privacy Policy.

11.0 Policy against Harassment.

Harassment is a serious offense that not only interferes with work performance but also can trigger legal actions. Sexual harassment occurs whenever unwelcome conduct on the basis of gender affects a person. Sexual harassment is defined by the Equal Employment Opportunity Commission as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct

of sexual nature. You must be aware that your behavior might be offensive.

You should avoid all sexually charged conduct either with a coworker, a prospect, or a client.

12.0 Associate-Licensee's Assistant(s)

Before Associate-Licensee hires an assistant, a three-party agreement (Broker/ Associate- Licensee/ Assistant) should be executed on CAR form TPA, and approved by Broker.

13.0 Listings: Mandatory Submission Policy.

Associate Licensee shall input all listings within 48 hours of the start date of the listing except weekends and holidays. As soon as the listing is submitted, it is automatically subject to the MLS rules and data integrity standards.

As a professional real estate person, you will conduct all your activities related with the use of MLS services according to their rules and regulations. Attending informative training sessions, and asking in case of doubt before acting are the best policies to avoid unintentional but costly violations.

13.1 Exempted Listings.

If the seller(s) refuses to permit the listing to be disseminated by the MLS, within 48 hours (except weekends and holidays), the listing Agent shall submit to the MLS a certification with copy to Broker, signed by the seller(s) establishing that he/she does not authorize the listing to be placed in the MLS.

13.2 Change of Listing Information.

Associate-Licensee shall submit any change in listing information including the listed price or other change in the original listing agreement to the MLS within 48

hours (except weekends and holidays) after the authorized change is received by the listing agent.

By submitting such changes to the MLS, you represent that the listing contract has been modified in writing or that you have obtained other legally sufficient written authorization to make such change.

13.3 Withdrawal of Listing Prior to Expiration.

Listings of property may be withdrawn from the MLS by the listing agent before the expiration date of the listing agreement provided you have received written permission from the seller(s), and you have sent a copy of that authorization to the Broker.

13.4 Listing Agreement and Seller's Permission.

Prior to submitting a listing to the MLS, Associate-Licensee shall obtain the written agreement of the seller(s) expressly granting the listing agent authority to:

- a. file the listing with the MLS for publication and dissemination to entities authorized by the MLS.
- b. act as an agent for the seller(s);
- c. provide timely notice of status changes of the listing to the MLS;
- d. provide sales information, including selling price, to the MLS upon sale of the property for publication and dissemination to those authorized by the MLS.
- e. publish sales information after the final closing of the sales transaction in accordance to MLS rules.

Copy of the seller's permission needs to be sent to the Broker.

14.0 Signs, Logos, Business cards and Websites.

As far as Associate-Licensee remains affiliated with the Company, he/she shall use Broker's trademark name: "The Golden Key Realty" and distinctive logo

on all his/her marketing materials including but not limited to signs, business cards, stationary and websites. On the same way, Associate-Licensee agrees to discontinue the use of Broker's trademark name immediately upon termination of Broker/Associate-Licensee Contract Agreement.

15.0 Loan Modifications.

Under no circumstances you perform activities related to loan modifications while you are affiliated with The Golden Key Realty. This includes but is not limited to: referring consumers to a loan modification company, representing consumers with a loan modification company, providing consumers with legal or financial advice or getting paid by a client or loan modification company.

16.0 False and Misleading Designations:

You will avoid the use of questionable and possibly misleading terms such as "expert", "certified", and "specialist" in the marketing and advertising of assistance to homeowners in connection with their home loans, foreclosure situations and short sales. According with the Department of Real Estate Commissioner, a growing number of individuals, purport to be "experts" in the area of short sales, "certified" forensic loan auditors, loan modification "specialists", loss mitigation "experts", and the like, and many of these designations and claims seem to be nothing more than marketing ploys by fraudsters to capitalize on the desperation and vulnerability of financially strapped homeowners. Fraud by predators in the use of false and misleading designations, certifications, claims of expertise and specialization can certainly compromise and erode the credibility and integrity of those with legitimate credentials.

Section 10177 (c) of the California Business and Professions Code provides that disciplinary action may be taken against a real estate licensee who advertises false statements concerning his or her designation or certification of special education,

credential, or trade organization membership. Real estate licensees must make certain that they comply with the California Real Estate Law and that all advertisements and offers of services contain only truthful and accurate information.

17.0 Property Management.

You are not allowed to perform property management activities. The Golden Key Realty IS NOT in the property management business, nor its Associate-Licensees. Soliciting landlords and tenants, renting, leasing and maintaining properties in expectation of compensation without Broker authorization, is in violation of the Business and Professions Code. Your real estate license could be suspended or revoked and you could face a civil lawsuit.

18.0 Investors.

If Associate-Licensee is also an investor, he/she must disclose that he/she has a California DRE Salesperson License when consumers from the general public are involved in the transaction. The disclosure must include a statement establishing that you are buying or selling the property in your personal capacity and under no circumstances you are acting as agent of Real Estate Broker.

You are not allowed to use the trademark name The Golden Key Realty associated with your investment activities. Once you purchase a property, if you want you can list it with the Company following the regular process and making all the necessary disclosures.

19.0 Unlawful Acts.

Associate-Licensee shall not commit acts for which the Commissioner of the DRE, RESPA, or HUD are authorized to restrict, suspend or revoke Associate-Licensee's license under California Business and Professions Code, or other provisions of State or Federal Laws and regulations.

If Associate-Licensee commits such an act, he/she will forfeit any pending commissions due.

20.0 Payments.

Associate Licensees who choose plans 1 or 2 may pay their monthly fees by Check, money order, Pay-Pal, or direct deposit.

21.0 Changing Plans.

After selecting a split commission plan, you are allowed to one change per year.

22.0 Acknowledgement.

The undersigned Associate-Licensee for The Golden Key Realty, hereby acknowledges that he/she read and understood the company policies and agree to abide by them as stated herein or on subsequent office policy amendments.

Associate-Licensee's Name

Signature

Date