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October 14, 2015

President Dick Johnson,

At the last Real Estate Division meeting we discussed RSAR's recommendation to the Division regarding 1) Duties Owed and 2) SRPD. The Division requested we go back to the Local Associations and gather feedback regarding the SRPD, and submit a letter from NVAR expressing our recommendations.

SRPD

We find that removing the initials from the signature page of the SRPD to have no legal consequences. While having initial lines at the end of every page may help show that the buyer and seller read that page, they are not necessary. Specifically, on the last page of the SRPD, the parties acknowledge that page with the signature block; therefore requiring initials on the same page is redundant.

Duties Owed

As a follow up to the discussion during the last Commission meeting regarding the Duties Owed, we wanted to share some additional comments. The Division discussed creating an Addendum to the Duties Owed that would take into consideration the instance where there is more than one licensee representing a party to the transaction. As a result of this, there are brokerages that are creating their own Addendum that they can use as a supplement to the Division's Duties Owed. In some instances, they are creating an entirely new Duties Owed on their own. In an effort to be consistent, an Addendum created by the Division would be ideal.

In discussing RSAR's recommendation with GLVAR's legal counsel Dave Sanders, we discussed the concern with the use of the term "Team Member." Dave sent this over to be included for your consideration when drafting this Addendum:

Real Estate Teams are an area of growing concern locally and nationally. NAR's Risk Management Committee conducted a very thorough review of these concerns at Mid-Year this year. Maryland and New York's equivalent of the Real Estate Division have created rules and regulations for what teams can and cannot do in their jurisdictions. I also have drafted an article for the SNR about these issues as well, including lack of incorporation, valid team agreements and other major concerns. I also know of a major brokerage that is facing serious litigation over a team's action and lack of incorporation



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documents. In that light it may be problematic to have a state issued form recognizing team members.

Therefore, we recommend that the terms "Co-Licensee" and "Team Member" be replaced with "Additional Licensee." That would avoid any potential liability the term "Team Member" may create.

Thank you for taking the time to address the issue and let us know if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Tiffany Banks". The signature is written in a cursive, flowing style.

Tiffany Banks, NVAR General Counsel

cc: J.D. Decker, Administrator, Nevada Real Estate Division