



## **Brokerage: End of corporate titles ushers in professionalism**

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Real estate brokerage is currently practiced by professionals who are accountable to their clients and respectful of their license status. No longer are we in the days of "matchmaker-matchmaker make me a match" within the real estate brokerage field. Gone is the practice of simply getting a check through being in the know on a pocket listing. Today, real estate agents, those licensed by the State of New York as real estate salespersons, associate brokers and brokers, are required to adhere to laws and regulations, while offering a knowledge-based service to their clients, in order to prosper in this complex field.

Your author knows this first-hand as the owner of a New York State licensed real estate school, Lieb School. I see the School's many students develop as professionals at each of our courses. Every two years our students are required to take 22.5 hours of continuing education in courses approved by the Department of State on varying topics, from Fair Housing and Discrimination to Agency Disclosure and even Divorce Deals, just to maintain their licenses. You see, real estate agents are charged with having a working knowledge of Article 12-A of the Real Property Law and Title 19, Part 175 of the New York Code of Rules and Regulations. Moreover, real estate agents must be familiar with everything from local municipal codes to concepts only embodied in our state's case law.

Yet, our understandings are constantly changing in this profession, as is best illustrated by the April 26th, 2013 opinion letter issued by the Department of State, which determined that "brokerages may not provide corporate titles to agents for marketing or other purposes." Yes, this change did hurt when it was first read by many in the field, who had long prided themselves in having obtained these titles through hard work at their respective brokerage companies. However, when the pain subsided, more and more real estate agents came forward to state how they appreciated that the Department of State took this action. In fact, the opinion letter is a symbol of what is good in real estate brokerage today. It embodies that we, as a profession, can be trusted by the public as we are accountable to the State. We, as a profession, have clear guidance of the do's and don'ts of our field. Not many people can say that with respect to their jobs. Not many can simply ask a question to the Department of State and receive an Opinion Letter that directs what is expected of them in order to keep their status and avoid sanctions. So, while it hurts to lose corporate titles, it's great to work within a field that is important enough that the issue of whether corporate titles are permissible matters. It is great that we have new advertising regulations in our field that will go into effect on January 2, 2014.

Those were the thoughts of Kenneth Haber, general counsel of Douglas Elliman, when he was questioned about the new advertising regulations and the end of corporate titles. Haber said, "The ruling certainly helps create clarity and transparency in the real estate brokerage profession." These thoughts were mirrored by Mitchell Herman, associate litigation counsel for NRT, Northeast region, who trumpeted the next chapter of brokerage by stating that "as licensed professionals with

expertise, real estate agents are held to high standards."

So I say thank you to Haber and Herman for your leadership in setting the bar in our industry. Thank you for bringing us professionalism.

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