

## Regional Guide for Reviewing Ownership Transfer Applications



- ☐ File Data Sheet
  - a. Licensee matches our current records
  - b. Ownership must total 100%
  - c. Include all sub-entity ownership
  - d. Review the changes from the ownership on file to the changes on the File Data Sheet
  - e. Confirm if Market Center has undistributed shares/treasury
  - f. Date investors participated in Investor Workshop
  - g. Date investors and leadership attended FSO
    - i. Leadership every 3 years
    - ii. Controlling Principals (20%+ ownership) every 5 years
    - iii. Principals every 10 years or at Renewal
- ☐ Disclose all investors and follow up on Item 23s
- ☐ Investor Workshop Attendance
  - a. New investors need to attend Investor Workshop
- ☐ Financial Statement
  - a. Needed for all Controlling Principals
  - b. Financial Statement is completed in full, including the Contingent Liabilities and General Information sections.
- ☐ Purchase/Sale Documents
  - a. Review the changes from the ownership on file to the changes on the File Data Sheet – Make sure that all changes have supporting documents.
- ☐ Investor Acknowledgement Form
  - a. Needed for new investors. Existing Investors do not need to fill out.
- ☐ Insurance
  - a. Please submit a Certificate of Insurance (COI/Accord Form)
    - i. General Liability (\$1M limit/\$1M aggregate)
    - ii. Auto Liability for non-owned and hired autos (\$1M)
    - iii. Real Estate E&O (\$1M/\$2M commercial)
    - iv. Worker's Comp (\$500K)
    - v. Should name Keller Williams Realty, Inc. and its designated affiliates, 1221 S Mopac Expwy, Suite 110, Austin, TX 78746 as additional insured under the Market Centers [General Liability, Auto and E&O policies]
- ☐ Multiple Market Center Application (If applicable)
  - a. Required if new Controlling Principal is investor in other Market Centers
- ☐ Application Fully Signed
  - a. If OP is RD: ROP will need to sign the application

If there is an entity change we will need the additional information:

- ☐ Insurance
  - a. Please include evidence that the required E&O liability insurance policy has been either: (i) extended for a period of at least two (2) years beyond the date KWRI approves the transfer through the purchase of "tail" coverage; or (ii) replaced with a policy maintained by the new licensee entity that expressly covers claims brought in connection with the operation of the Market Center prior to the transfer.
- ☐ Entity Documents
  - a. New Operating Agreement/Bylaws/Partnership Agreement reflecting New Entity
  - b. Submit budget/forecast
  - c. Proof of 3 months reserves or \$150,000 in cash
  - d. Filed Articles of Organization, Articles of Incorporation or Certificate of Limited Partnership
  - e. Letter from the OP candidate stating that the Market Center entity has not conducted business since its formation
  - f. Registration of Trade Name or dba (Keller Williams Realty) with the proper body in your state
  - g. Confirmation documents indicating Tax ID or EIN number