

2014-15 CIRCLE OF EXCELLENCE RULES

CINCINNATI AREA BOARD OF REALTORS®

(Approved October 2014)

ARTICLE 1 - PURPOSE

Purpose of the Circle of Excellence is to recognize outstanding residential sales performance of Realtor® members in good standing with the CINCINNATI AREA BOARD OF REALTORS®. Realtor® members are eligible for either the Circle of Excellence or Commercial Top Producers Club but not both (there are different qualification criteria for each).

ARTICLE 2 - RECOGNITION PERIOD

The recognition period shall be October 1, 2014 through September 30, 2015.

ARTICLE 3 - PRESENTATION OF AWARDS

Those qualifying for the Circle of Excellence each year will be recognized and presented an award at the Board's Annual Awards function following the recognition period. Recognition of recipients will be by the company with which the recipient was affiliated at the close of the recognition period.

ARTICLE 4 - ELIGIBILITY REQUIREMENTS

Section 1: QUALIFICATION

**1.1 Real estate sales and leases shall be considered eligible for the Circle of Excellence. The words "sales" and "leases" are hereafter used interchangeably. In order to qualify, at least 80% of an applicant's award-submitted commission volume must be from residential-generated transactions and at least 80% of the submitted transactions (property) must be located in either Ohio, Kentucky or Indiana for inclusion in the Circle of Excellence. For the purpose of this section, residential means single-family homes, condominiums, farms with houses, multi-family dwellings (up to 12-family) and residential building lots. An applicant may qualify by either of the following methods:

Method A. Dollar Qualification: Each applicant's company must have been paid a minimum of \$97,500 in gross commissions as a result of the applicant's participation in selling, listing, referral fees, tips and/or leasing real estate during the recognition period. **Any relocation/referral fee paid out to a network or other referring company/broker must be deducted in computing the commission (this does not include franchise service fees).** Relocation/referral fees retained by the company may be claimed by the agent as part of gross commissions. Only those dollar amounts listed as compensation on the HUD (or settlement) statement can be counted as commissions. Processing and handling fees, as well as other fees for services rendered are not commissions and cannot be counted. Additionally, when two or more agents from the same company are involved in the same transaction, the total commission claimed by each agent must be in relative proportion to the agent's commission split and may not exceed 100% of the commission paid to the company;

--- or ---

Method B. Unit Qualification: Each applicant must have earned 19 units with a minimum of \$65,000 in gross company commissions. Units shall consist of as follows: Listing sold and selling = 1 unit; listing sold only = 1/2 unit; selling only = 1/2 unit; leasing = 1/2 unit; 2 or more listing agents = proportionate amount of 1/2 unit; 2 or more selling agents = proportionate amount of 1/2 unit; referral or tip fee = proportionate amount of 1/2 unit. **Any referral fee paid out to a broker/agent must be deducted in computing the commission (this does not include franchise service fees).** Additionally, when two or more agents from the same company are involved in the same transaction, the total commission claimed by each agent must be in relative proportion to the agent's commission split and may not exceed 100% of the commission paid to the company. There will be only one level in qualifying by units.

1.3 An applicant does not need to fill in units unless qualifying by the units method.

Section 2: LEVELS

A level of recognition will be achieved for each \$97,500 or, alternatively, 19 units with a minimum of \$65,000 paid to the company; for example:

Dollar or Units Credits

\$ 97,500	or	19 units/ \$65,000	--- Circle of Excellence 1st Level
\$195,000			Circle of Excellence 2nd Level
\$292,500			Circle of Excellence 3rd Level
\$390,000			Circle of Excellence 4th Level
\$487,500			Circle of Excellence 5th Level

Section 3: Salaries, bonuses and compensations, other than commissions earned as outlined herein, may not be used to qualify.

Section 4: All commissions must have been paid the applicant's company during the recognition period. When the commission paid to the company and the closing are not simultaneous, the date on which the latter of the two events occurs shall determine the recognition period when said transaction is to be applied. Commissions that are paid on an installment basis (such as leases, land contracts, etc.) or commissions being deferred for use as collateral pledge, may be used to qualify only during the recognition period the commission(s) is paid to the company.

Section 5: Any reference to the 'applicant's company' throughout these Rules means the company the applicant was affiliated with at the time of the subject property transaction. An applicant who joins the CINCINNATI AREA BOARD OF REALTORS®, after the recognition period has started, is eligible provided the commissions claimed were earned during membership with any Realtor Board nationwide (subject to Article 4 Section 1), but with a minimum 3-month membership in the CINCINNATI AREA BOARD OF REALTORS®.

Section 6: An applicant who has been found guilty of violating the Circle of Excellence Rules during the recognition period, regardless of the date of the occurrence, may be deemed ineligible for that period (see Article 9). Any applicant who has been found guilty of violating the real estate licensing laws of the Ohio Revised Code during the recognition period, regardless of the date of the occurrence, is ineligible for that period.

ARTICLE 5 - ENTRY REQUIREMENTS

Section 1: To apply for recognition an applicant shall submit the following and it must be received at the Board office by October 15, 2015 for the recognition period just completed on the September 30th immediately prior thereto:

- 1.1 The application form must be completed in all details and signed by the applicant;
- 1.2 Applicant's designated Realtor®/office manager must have signed the application form certifying its validity;
- 1.3 Attach to the application form three (minimum 2" x 3") black and white (preferred) pictures, with applicant's name printed on the back as it is to appear in any advertising;
- 1.4 Attach to the application form the entrance fee amount (which is to be established by the Circle of Excellence Committee and which will appear on the entry form) to defray the cost of the Club. **NO REFUND WILL BE MADE** if applicant is ineligible because of misrepresentation;
- 1.5 Attach a sample business card showing the Circle of Excellence format as per Article 8 that the applicant intends to use on business cards.
- 1.6 For late entry, up to 5 business days (Monday-Friday) after the deadline, time is of the essence, the applicant shall submit a Circle of Excellence form along with a check for the entry fee plus a \$500 late entry fee per each applicant. In addition, the applicant will automatically be audited.

ARTICLE 6 - VERIFICATION

Section 1: All entries will be reviewed by the Circle of Excellence Committee for completeness and compliance with contest rules. Improperly submitted entries will be returned and must be resubmitted in proper order, within 7 days of notification, or applicant is automatically disqualified.

Section 2: Prior to October 27th, the Committee will identify the highest dollar producer, as well as a number of applicants at random, for audit. If a violation of these rules is discovered during the audit process, that person will automatically be audited the next year the member applies for Circle of Excellence membership. Those selected for audit shall submit, within 14 days of notification the following substantiating information:

- 2.1 Circle of Excellence Application
- 2.2 Closing statement with address or legal description verifying closings (*signatures not mandatory*).
- 2.3 Purchase Contracts.
- 2.4 Listing Contracts (if claiming listing commission).
- 2.5 Company's transaction reports, sales records used by company, including internal brokerage commission allocation documents signed and approved by office manager or other documents verifying all pertinent information or cancelled commission checks or copies of same.
- 2.6 Lease Contracts: Copy of the third party check must be submitted in support of the broker's commission amount on the transaction report; copy of the commission invoice sent to the lessor; if the transaction report does not show evidence of an agent's participation then the agent should submit relevant correspondence between the agent and the lessor.
- 2.7 Referral fees must be documented.
- 2.8 Improperly submitted audit materials will be returned and must be resubmitted in proper order, per auditor's instruction (see Article 6 Sec. 2.1-2.7), within 7 days of notification. If the information is not received by the auditor within 7 days, there will be a \$250 fine levied against the applicant. If beyond 14 days, the applicant is automatically disqualified. Do not send original files as they will not be returned to you. Send only requested information or you may be disqualified.

Section 3: If the purchase contracts, listing contracts, or lease agreements are not witnessed or signed by a salesperson claiming participation, or if any of the above are not available, additional supporting evidence or affidavits must be furnished to the satisfaction of the Committee.

ARTICLE 7 - BROKER RESPONSIBILITY

The designated Realtor®, on behalf of the licensees within the designated Realtor®'s company, shall submit each year a Designated Realtor® Application for the Circle of Excellence. The designated Realtor®/office manager (hereinafter referred to as "management") shall sign the initial entry form certifying the validity of the entry and that the company's commission is correctly stated; that management has read the rules, understands them and will abide by them; that management shall be held accountable for the company's activities. **IN THE EVENT THAT A SALESPERSON AND/OR MANAGEMENT MAKES A FALSE CLAIM, OR GIVES FALSE INFORMATION, THE APPLICANT AND/OR MANAGEMENT AND INDIVIDUALS OF THE COMPANY MAY BE BARRED FROM PARTICIPATION IN THE CLUB FOR THE YEAR THE FALSE INFORMATION WAS PROVIDED AND/OR SUBSEQUENT YEARS.**

ARTICLE 8 - PROMOTION

The spirit of this article is to permit certain types of INDIVIDUAL promotion, not company promotion.

Section 1: No company, office, group or team of agents associated with the Circle of Excellence of the CINCINNATI AREA BOARD OF REALTORS® will be permitted to use this contest or its results in any advertising or promotion of the company or individuals connected with the company, including news releases. Further, it is the agent/company's responsibility to take affirmative action to notify news reporters of this Circle of Excellence Rule.

Section 2: A Circle of Excellence recipient may announce their personal participation in the Circle of Excellence in individual advertising, printed promotional pieces, individual news releases, articles and/or social media. Companies, offices, groups or teams of agents must not participate in collective announcements of Circle of Excellence. This rule allows individual promotion, not collective promotion for multiple recipients of the Circle of Excellence, other than co-listers marketing their properties. When advertising Circle of Excellence, advertisements and promotional pieces must include the name of the club (CINCINNATI AREA BOARD OF REALTORS® Circle of Excellence) and the year or years of club membership. Levels are not to be included in any advertising or promotional pieces.

Section 3: The names, pictures and company affiliation (at the close of the recognition period) of Circle of Excellence recipients, in alphabetical order by Realtors®, will be placed on the Board's website and news media as deemed appropriate by the committee from year to year. Recipients will be honored on the same basis with pictures of identical size. The level achieved will appear under the company with which they were affiliated. An asterisk will indicate that a member changed company after September 30th.

