



1301 East Gurley Street  
Prescott, AZ 86301

## **POLICIES AND PROCEDURES MANUAL**

### **PURPOSE**

The ERN. LLC (ERN) is designed for individuals with a real estate license that do not want to pursue real estate full time. Association with ERN offers the opportunity to earn referral commissions as a result of referring people who have a real estate need and perfect that need through ERN via its affiliates and assigns. There is no listing or selling involved.

### **PROCEDURE FOR PLACING A REFERRAL**

When you find someone who has a real estate need, obtain their permission to be referred. The information you will need to place the referral is:

- Name
- Address
- Telephone numbers (home, office, cell, fax)
- Email address
- A general idea of their real estate needs

It is also helpful to find out if they are interested in buying or selling, how soon, where they want to move, and the reason for the move.

Contact John Poggendorf, ERN Designated Broker via email or fax with the information you have about the client. John will place the referral with an executive and obtain a signed referral agreement from the receiving executive. Once the agreement is signed accepting the referral a copy will be returned to you via email.

The referral fee normally charged will be 25%, however, other fees may be negotiated depending on the circumstances.

## REFERRAL FEES

The referral fee will be mailed to the Referral Associate within 5 days of the receipt of the commission by ERN.

The Referral Associate will receive 100% of the referral fee obtained by ERN, less a Referral Transaction Fee of \$300 that will be retained by ERN Referral Network from the referral fee.

## EXAMPLE OF REFERRAL FEES

Property Purchase / Sale Price:	\$ 300,000
Commission on referred side:	3%
Commission amount:	\$ 9,000
Referral Fee:	25%
Referral Amount:	\$ 2,250
Referral Transaction Fee paid to ERN:	\$ 300
Amount paid to YOU, as referral associate	\$ 1,950

If a referral associate has terminated, ERN will pay referral fees to the Referral Associate on those referrals that were under contract prior to the date of termination and which subsequently close and record. If a buyer referral or listing referral goes into contract after the termination date of the Referral Associate, referral fees cannot be paid.

## OTHER FEES

**Annual Fee:** The Referral Associate will pay a fee of \$100.00 upon joining ERN and a \$100.00 renewal fee annually on their anniversary date.

**Referral Transaction Fee:** A \$300.00 referral transaction fee will be deducted from each closed referral paid to the Referral Associate.

## **PERSONAL REAL ESTATE TRANSACTIONS**

ERN, LLC associates operate on a “referral only” basis and do not show, list, sell, represent, sit open houses or directly participate in the listing or sale of property. This includes properties in which they have personal real or equitable interest. Therefore, in order to insure their clients and customers receive the best professional real estate advice, service and guidance, it is strongly recommended that referrals be placed with Realty Executives®. Ultimately, the choice of the agent and brokerage with which the referral is placed is the prerogative and responsibility of the ERN, LLC associate, but the selection of a Realty Executives® associate is encouraged.

## **BOARDS OF REALTORS®**

ERN Referral Network is not a member of any REALTOR® Associations, Boards of REALTORS® or any multiple listing services. As such, Referral Associates need not to join any such organization, nor can they join.

## **BUSINESS CARDS**

Business cards are available at the Referral Associate’s expense. The Referral Associate will be identified on the card as “Referral Specialist”.

## **RESTRICTIONS**

The ERN Referring Associate cannot:

1. Show property for sale.
2. List property for sale.
3. Advise a client of property value.
4. Represent a client in a transaction.
5. Take part in any portion of a sale, listing or leasing of property.
6. Accept or handle any money in a real estate transaction.
7. Perform or take part in any form of property management.

As such, the ERN Referring Associate need not be concerned with:

1. Securing or insuring the presence of Broker Supervision on all transactions requiring a salesperson’s or brokers license. ERN Associates do not actively engage in transactions of any kind; they only refer existing or potential clients and customers to other brokerages and licensees employed therein.

2. Using and accurately executing disclosure forms, contracts, employment agreements and documents affecting the rights or obligations of parties. ERN Associates do not represent parties to real estate transactions of any kind; they simply refer.
3. The filing, storage and maintenance of documentation to any transaction. ERN Associates do not actively engage in transactions of any kind; they only refer potential clients and customers to other brokerages and licensees employed therein.
4. The proper handling of money that would otherwise require promot deposit into a trust fund. ERN maintains no trust fund as it does not engage in activities that would otherwise require one.
5. Their use of unlicensed assistants, or the broker's use of unlicensed assistants. ERN Associates engage in no direct real estate transactional activities for their own part, nor in the employment of others in similar activities for the ERN Associate that would require an ADRE license, save that the ERN Associate maintains their own ADRE license in good standing with ADRE and remains on an "active" footing with their employing broker, ERN, LLC.
6. The delegation of authority to others to act on the behalf of ERN, LLC as the employing broker. ERN, LLC has never delegated nor will delegate any such authority to any other brokerage, broker, licensee or individual.
7. The manner, extent and frequency with which the ERN Designated Broker familiarizes the ERN Associates with the requirements of state, federal and local laws relating to the practice of real estate. ERN Associates maintain their ADRE licenses in an "active" state which requires their securing a minimum number of hours of Continuing Education every two years and the reporting of same to ADRE, thus fulfilling such requirements. ERN Associated engage in no direct transactional activities related to real estate activities, they simply refer potential clients and customers who are interested in pursuing such activities.
8. Advertising and Marketing activities and the costs associated with such activities. ERN LLC is designed for the experienced real estate licensee who for whatever reason wishes to curtail their direct personal involvement in full-time, day-to-day real estate activity. Thus the ERN Associate simply refers their clients and contacts to other full-time licensees, and therefore is able to legally share in the commissions from such finalized transactions. Thus no advertising and marketing activities are required of the ERN Associate in this pursuit, but Associates are none-the-less reminded that all such activities on their part require pre-approval from the employing broker. Any and all advertising and marketing activities deemed necessary to the brokerage are executed by the designated broker.

9. The existence of an established system for monitoring compliance with the broker's rules, procedures and systems itemized in the ERN, LLC Policies and Procedures document. The existence and specifics of all such operational requirements and prohibitions are reviewed with each ERN Associate prior to and again at the time of the affiliation with ERN LLC, and additionally in discussions with each Associate as referral documents are competed and circulated for signature and implementation by all involved parties.

## **ACKNOWLEDGEMENT**

**I acknowledge receipt of the ERN Referral Network's Policy and Procedures Manual and understand the policies of the Referral Network.**

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**Signature of Referral Associate**

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Date