LOOM REALTY

California Broker of Record / Designated Officer Readiness Checklist

A practical preparation guide for California property management, leasing, real estate sales, and combined operations evaluating outside broker supervision.

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How to use this guide

Complete the decision questions and checklists before a BOR/DO fit review. Gather the underlying records—do not simply check a box because a vendor or employee says an item exists. Loom Realty will confirm the documents and supervision workflow that apply to an approved engagement.

Company / proposed company name	Primary contact
Primary California county	Target start / transition date
Current broker / designated officer	Prepared by / date

Important: This is a readiness and discussion tool, not legal, tax, accounting, insurance, or DRE filing advice. Requirements depend on entity type, activities, personnel, locations, money flow, and current law. Use the current DRE forms and instructions and consult qualified counsel or other advisors when needed.

Broker of Record vs. Designated Officer

Broker of Record (BOR) is commonly used business language for the responsible California broker supervising licensed activity. The exact DRE licensing arrangement depends on how the business is organized.

Designated Officer (DO), or designated broker-officer, is the broker-officer through whom a California corporation is licensed as a real estate broker. DRE states that the designated corporate officer is responsible for supervising and controlling licensed activities performed for the corporation by its officers and employees. Business and Professions Code §10159.2 places responsibility for supervision and control on that designated officer. [1][2]

QUESTION	BOR / RESPONSIBLE BROKER PATH	DESIGNATED OFFICER PATH
Typical structure	An individual broker operation or another approved brokerage relationship.	A California corporation applying for or maintaining its own corporate real estate broker license.
DRE license holder	The individual or brokerage entity shown in the approved licensing structure.	The corporation is licensed through a qualified designated broker-officer. [1][3]
Core responsibility	Reasonable supervision, written policies, review systems, and control of licensed activity; overall responsibility cannot simply be outsourced away. [4]	Supervision and control of licensed activity conducted for the corporation by officers and employees. [1][2]
Common filing focus	Broker/license affiliations, business names, locations, and activity-specific records.	RE 201, qualifying corporate documents, designated officer title, background statements when applicable, and related corporation filings. [1][3][5]

Structure decision checklist

- [ ] Confirm the exact legal entity that will sign client agreements, receive compensation, advertise, and hold trust funds.
- [ ] Confirm whether that entity is an individual/sole proprietorship, California corporation, foreign corporation qualified in California, LLC, partnership, or another structure.
- [ ] Confirm whether the entity already has a DRE license, license number, designated officer, branch offices, and approved DBA/fictitious business names.
- [ ] If using a corporation, review DRE's current Corporation License guidance and RE 201 before assuming a DO filing is sufficient. [1][3]
- [ ] Confirm the proposed designated officer holds the required corporate officer title; “broker/officer” itself is not an official officer title. [1]
- [ ] Identify directors, policy-making officers, and natural persons owning or controlling more than 10% for the RE 212 analysis. RE 212 is required only when applicable under its instructions. [1][5]
- [ ] List every location where licensed activity will be conducted and determine whether RE 203 branch licensing applies. [6]
- [ ] List each salesperson and broker-associate affiliation/change that may require DRE filing, including RE 214 or RE 215 as applicable. [1][7]
- [ ] Do not begin covered activity under a proposed structure until the licensing path, effective dates, and written supervision arrangement are confirmed.

Entity and Operating Records

Entity and ownership

- ☐ Articles, amendments, current California Secretary of State status, and entity number.
- ☐ Current Statement of Information and complete officer/director/ownership list.
- ☐ Federal tax ID and exact legal name used on bank, insurance, contracts, and payroll records.
- ☐ Board resolutions and officer appointment records relevant to the designated officer.
- ☐ DBA/fictitious business name filings and DRE approval status for every public brand.
- ☐ Main office and every physical operating or branch-office address.

People and authority

- ☐ Roster of owners, officers, employees, contractors, salespersons, and broker-associates.
- ☐ License number, expiration, employing broker, work location, role, and scope for every licensee.
- ☐ Written employment/independent contractor agreements and compensation arrangements.
- ☐ Clear list of activities performed by unlicensed staff and controls preventing unlicensed activity.
- ☐ Access list for trust accounts, property-management software, e-signature, files, advertising, and client data.

Broker supervision system

California Regulation 2725 describes reasonable supervision as including policies, rules, procedures, and systems to review, oversee, inspect, and manage licensed activity as appropriate. A responsible broker may use others to assist but does not relinquish overall responsibility. [4]

- ☐ Written office policy and compliance manual matched to actual business activities.
- ☐ Named responsibility for intake, advertising approval, document selection, signatures, transaction milestones, file completion, and escalation.
- ☐ Pre-use review process for websites, DBAs, social media, signs, applications, listings, rental advertising, and email signatures.
- ☐ Broker checkpoints occur during the workflow—not only after a lease is executed or sale closes.
- ☐ Procedure for urgent complaints, demands, fair-housing concerns, DRE or government notices, claims, trust shortages, insurance lapses, and suspected fraud.
- ☐ Training and documented acknowledgment for licensees and staff.
- ☐ Calendar for license, insurance, DBA, entity, branch, agreement, and recurring compliance deadlines.
- ☐ Monthly reporting process covering properties/units, leases, sales, trust accounts, personnel changes, complaints, and material operational changes.

Stop and escalate before launch: unclear entity/licensing structure; proposed “license rental” without actual supervision; hidden owners or officers; prior discipline not disclosed; employees paid for licensed activity without the correct affiliation; public advertising under an unapproved name; or pressure to backdate documents.

Define the Activity Before Selecting Forms

SCOPE	MAP BEFORE ONBOARDING	CORE FILE CONTROLS
Property management	Owners, properties, units, counties, rent/deposit flow, vendors, trust accounts, software, and who can approve/disburse funds.	Executed management authority; owner/property records; tenant files; money trail; notices; maintenance/vendor records; communications; monthly accounting package.
Leasing	Advertising, inquiries, screening, fair-housing controls, applications, approvals, deposits, lease drafting/signing, move-in, and document delivery.	Approved advertising; application/screening trail; required disclosures; executed lease package; deposit receipt/placement; broker review checkpoints.
Real estate sales	Agency, listing/buyer representation, MLS/association access, advertising, offers/counters, disclosures, escrow coordination, commissions, and closing.	Authority/agency; disclosure and offer trail; material communications; contingency and deadline tracking; broker review; complete closed file.
Combined operations	Where PM/leasing ends and sales begins, who handles each scope, which systems and accounts are used, and how files are separated but connected.	Scope-specific supervision and records without assuming a PM file automatically satisfies sales requirements or vice versa.

Contracts, forms, and communications

- ☐ Inventory every management agreement, lease, addendum, notice, disclosure, listing/buyer agreement, offer form, vendor agreement, and internal template currently used.
- ☐ Identify the source, version/date, license or membership restriction, and approved use for each form.
- ☐ Do not treat access to CAR, AOA, AAGLA, AIR CRE, or another library as legal advice or permission to redistribute proprietary forms.
- ☐ Identify local ordinances and counsel-reviewed documents that may be needed for each county/city and property type.
- ☐ Create a controlled template library so staff cannot use superseded documents from old emails or personal drives.
- ☐ Define when the broker must review a new form, unusual clause, nonstandard deal, legal demand, or disputed notice.
- ☐ Retain complete, readable, searchable files with signed versions, attachments, delivery evidence, communications, and accounting records.

Insurance and risk transfer

- ☐ Current E&O and general liability policies match the named entity and actual management, leasing, and sales activities.
- ☐ Workers compensation, cyber, crime/fidelity, auto, property, and other coverage reviewed with qualified insurance professionals as applicable.
- ☐ Loom Realty and Kayla Jane Bramante shown as additional insureds where the written BOR/DO agreement requires it.
- ☐ Expiration tracking, renewal evidence, claim reporting, and immediate lapse notification procedures are documented.

Trust Account Control Is a Launch-Critical Workstream

DRE identifies trust-fund handling and recordkeeping as common enforcement problem areas. Its guidance cites Business and Professions Code §10145 and Regulations 2831, 2831.1, 2831.2, 2832, 2832.1, and 2834. [8] DRE provides example records including RE 4522, RE 4523, and RE 4525; businesses may use other systems only if they contain required information and enable tracing and reconciliation. [9][10]

Account and authority inventory

- [ ] List every operating, rent, deposit, reserve, and other account touching client or tenant money.
- [ ] For each account, record bank, exact title, masked account number, purpose, beneficiaries/properties, opening balance, and responsible entity.
- [ ] Identify all signers, online users, payment processors, bookkeepers, software integrations, ACH rules, wires, cards, and positive-pay controls.
- [ ] Confirm account titling and authorized signers with the broker, bank, and current law. DRE warns that owners generally are not authorized signers on a broker trust account and that the broker retains responsibility. [11]
- [ ] Document receipt, deposit, disbursement, transfer, returned-payment, chargeback, void, stale-check, owner-payment, tenant-refund, and security-deposit procedures.

Records and monthly close

- [ ] Chronological trust cash record for every trust account, including the information required by Regulation 2831 (DRE example: RE 4522). [9][10]
- [ ] Separate beneficiary/transaction or property-managed ledger with running balances (DRE examples: RE 4523 or RE 4525). [9][10]
- [ ] Bank statement and complete transaction support: deposits, receipts, checks, ACH/wires, voids, adjustments, and source documentation.
- [ ] Monthly bank reconciliation and monthly reconciliation of the trust cash record to the total separate beneficiary/property records under Regulation 2831.2. [8][10]
- [ ] Written explanation and correction evidence for every difference, unidentified amount, negative beneficiary balance, shortage, stale item, or uncleared deposit.
- [ ] Broker review record identifying month, account, preparer, reviewer, date, exceptions, corrective action, and resolution.
- [ ] Separate accounting package for each trust account; do not combine account reconciliations into an unverifiable summary.
- [ ] Retention and retrieval procedure consistent with applicable DRE record requirements and the written BOR/DO agreement.

Immediate escalation: shortage or negative beneficiary balance; commingling; unexplained reconciling item; owner or unauthorized signer on a broker trust account; funds routed through a personal/operating account; altered records; missing statements; late reconciliation; inability to identify who owns every dollar; or refusal to provide broker access.

What to Send for a BOR / DO Fit Review

- [ ] Entity documents and current Secretary of State status.
- [ ] Ownership, officer, director, employee, contractor, and licensee roster.
- [ ] DRE entity, broker, officer, branch, DBA, salesperson, and broker-associate records.
- [ ] Plain-language description of current and proposed licensed activities.
- [ ] Service counties, properties, units, active leases/listings, and expected monthly volume.
- [ ] Current/proposed management, leasing, and sales agreements and forms.
- [ ] Websites, social pages, signs, advertisements, email signatures, and public brand names.
- [ ] Insurance policies, endorsements, expiration dates, and open/past claims.
- [ ] Complete trust account inventory and most recent reconciliation package for each account.
- [ ] Property management/accounting software, file storage, security, and access map.
- [ ] Complaints, demands, DRE/government notices, audits, investigations, litigation, and disputes.
- [ ] Target launch or transition date and any deadline created by a departing broker.

Final yes/no questions

- [ ] Can the company identify the legal entity, license structure, responsible broker/DO, and effective date before covered activity begins?
- [ ] Can Loom access the people, systems, advertising, files, and accounting records needed for real supervision?
- [ ] Are the company's owners and operators willing to follow written policies, checkpoints, monthly reporting, and escalation requirements?
- [ ] Are trust fund records current, traceable, balanced, and available for review?
- [ ] Have all material complaints, discipline, investigations, claims, ownership changes, and operational risks been disclosed?
- [ ] Is there enough time to complete agreements, insurance, entity work, DRE filings, system access, and training before launch or transition?

Situations that usually require more work before approval

No-supervision “license rental” expectation; immediate launch before structure or filing is confirmed; unreconciled or inaccessible trust accounts; unlicensed people performing or being paid for licensed activity; undisclosed owners, discipline, claims, or complaints; advertising or contracts under the wrong or unapproved entity/name; refusal to use broker checkpoints or provide records; or scope that includes escrow, business brokerage, M&A, or another excluded service.

Loom Realty pricing snapshot

APPROVED SERVICE ACCOUNT	MONTHLY	ONBOARDING
Management & Leasing	$500	$500
Sales Only	$1,000	$1,000
Sales + Management	$1,500	$1,500

Activity-based supervision and recordkeeping: $100 per trust fund bank account per month; $100 per fully executed lease; $100 per closed sales transaction. DRE, association, MLS, insurance, legal, accounting, software, and other third-party costs are separate. BOR services generally begin with an initial three-month agreement and then continue month-to-month unless the written agreement states otherwise. Final scope and pricing are governed by the signed agreement.

California DRE Forms, Rules, and Guidance

[1] California DRE, **Corporation Licenses**: dre.ca.gov/licensees/Corporation.html

[2] California Business and Professions Code **§10159.2**, designated officer supervision and control: Official California Legislative Information

[3] California DRE, **Corporation License Application (RE 201)**: dre.ca.gov/files/pdf/forms/re201.pdf

[4] California DRE, **2026 Real Estate Law**; see Commissioner's Regulation 2725, Broker Supervision: dre.ca.gov/Publications/RealEstateLaw.html

[5] California DRE, **Corporation Background Statement (RE 212)**: dre.ca.gov/files/pdf/forms/re212.pdf

[6] California DRE, **Branch Office Licenses / RE 203 guidance**: dre.ca.gov/Licensees/BranchOffice.html

[7] California DRE, **Corporation License application package and affiliation forms**: dre.ca.gov/Forms/100-298.html

[8] California DRE, **Most Common Enforcement Violations** (trust funds and broker supervision): Official DRE Licensee Advisory

[9] California DRE, **Trust Fund Record Keeping Information (RE 4521)**: dre.ca.gov/files/pdf/forms/re4521.pdf

[10] California DRE, **Trust Fund Forms RE 4522, RE 4523, RE 4524, and RE 4525**: dre.ca.gov/forms/4500-4699.html

[11] California DRE, **Trust Fund Signatories: What You Need to Know** (Nov. 14, 2025): Official DRE Update

[12] California DRE, **Certification—Assignment of Supervisory Responsibility (RE 210)**: dre.ca.gov/files/pdf/forms/re210.pdf

[13] California DRE, **Public License Lookup and Licensee Information**: dre.ca.gov/Licensees/

Reference discipline: Links point to official government sources. DRE revises forms and guidance, so confirm the current revision and instructions at the time of filing. Not every form or requirement applies to every business.

Have more questions?

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