



Advisory and Guidance to Licensees Regarding Assembly Bill 2018, Effective January 1, 2015, Pertaining to Fictitious Business Names & “Team Names”

In 2014, the California Legislature passed and the Governor signed Assembly Bill 2018 (“[AB 2018](#)”), amending Section 10159.5 and adding Sections 10159.6 and 10159.7 to the California Business and Professions Code (“the Code”). The provisions of these Code sections *take effect January 1, 2015*.

AB 2018 specifies that a responsible broker *may*, by contract, permit a salesperson to (1) file an application on behalf of the broker with a county clerk to obtain a fictitious business name, (2) deliver to the bureau an application, signed by the broker, requesting the bureau’s approval to use the fictitious business name to be identified with the broker’s license number, and (3) pay for and maintain ownership of such fictitious business name that may be used subject to the control of the broker. The bureau has created a new form titled, “Add/Cancel Salesperson Owned Fictitious Business Name” Form (RE 247), that brokers and salespersons will use to add and/or cancel *salesperson* owned fictitious business names. The RE 247 will be available on the bureau’s website no later than January 1, 2015. Once processed and approved by the bureau, the salesperson owned fictitious business name will appear on the responsible broker’s license record. Furthermore, AB 2018 identifies specific disclosure requirements when salesperson owned fictitious business names are used in advertising, marketing, and solicitation materials.

Additionally, AB 2018 defines a “team name” as a professional identity or brand name used by a salesperson, and one or more other real estate licensees, for the provision of real estate licensed services. AB 2018 specifies that the use of a team name, as defined above, does not constitute a fictitious business name and would not require a separate license if (1) the name is used by two or more real estate licensees who work together to provide licensed real estate services, or who represent themselves to the public as being a part of a team, group, or association to provide those services, (2) the name includes the *surname* (last name) of at least one of the licensee members of the team, group, or association in conjunction with the term “associates,” “group,” or “team,” and (3) the name does not include any term or terms, such as “real estate broker,” “real estate brokerage,” “broker,” or “brokerage” or any other term that would lead a member of the public to believe that the team is offering real estate brokerage services, or imply or suggest the existence of a real estate entity independent of a responsible broker.

AB 2018 also provides, that when a “team name” is used in advertising, including print or electronic media and “for sale” signage, it must (1) include the licensee’s name and license number, as specified, (2) include the broker’s identity, as specified, and (3) not contain terms that imply the existence of a real estate entity independent of the responsible broker.

The provisions set forth in AB 2018 do not change, reduce, or limit a real estate broker’s statutory obligation to supervise salespersons operating under his or her license. Furthermore, any disputes that arise between the responsible broker and the salesperson regarding the ownership and/or use of a salesperson owned fictitious business name is a civil matter and would not fall under the purview of the Bureau of Real Estate.