



State of New Jersey  
DEPARTMENT OF BANKING AND INSURANCE  
REAL ESTATE COMMISSION  
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Acting Commissioner

TO: ALL REAL ESTATE LICENSEES, SCHOOL DIRECTORS, INSTRUCTORS AND  
OTHER INTERESTED PARTIES


FROM: THE NEW JERSEY REAL ESTATE COMMISSION

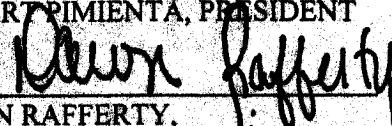
RE: ADDENDUM TO NOTICE ON PROSCRIPTION OF CERTAIN DISCRIMINATORY  
COMMISSION SPLITS UNDER N.J.A.C. 11:5-7.6

On November 29, 2005 the Real Estate Commission issued an advisory notice regarding the proscription of certain discriminatory commission splits contained in its administrative rule, N.J.A.C. 11:5-7.6. The purpose of this additional notice is to clarify the specific type of commission split to which the November 29, 2005 pronouncement was directed. N.J.A.C. 11:5-7.6 prohibits variations in commission splits that are "punitive or retaliatory" in response to another broker taking listings at a lower gross commission rate than that charged by the broker offering the modified commission split. The rule contemplates that commission splits may be varied for other lawful reasons and further provides that if a listing broker varies its commission split policy with any selling broker, the listing broker must maintain a file that contains an explanation for the variation, and a statement of who made the decision to vary the commission split. The reasons that underlie any such variations should be consistent with law, and with licensees' fiduciary duties to their clients and their obligation to cooperate with other licensees as set forth in N.J.A.C. 11:5-6.4.

~~December 20, 2005~~  
DATE

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ROBERT PIMENTA, PRESIDENT

  
DAWN RAFFERTY,  
EXECUTIVE DIRECTOR