**Section 1450.705 Designated Managing Broker Responsibilities and Supervision**

a) All designated managing brokers shall notify the Division, within 24 hours, in a format provided by the Division, of any change of business address of the offices they manage.

b) A designated managing broker shall supervise the activities of licensees and unlicensed assistants working in offices managed by the designated managing broker. Supervision of activities includes, but is not limited to:

1) Implementing and training on company policies and procedures established by the sponsoring broker;

2) Training of all sponsored licensees and unlicensed assistants;

3) Supervising and assisting licensees in real estate transactions;

4) Supervising special accounts over which the sponsoring broker has delegated responsibility to the designated managing broker in order to ensure compliance with the special account provisions of the Act and this Part;

5) Supervising all advertising, in any medium, of any service for which a license is required;

6) Familiarizing sponsored licensees with the requirements of federal and State laws and local ordinances relating to licensed activities; and

7) Compliance with this Part by licensees and unlicensed assistants supervised by the designated managing broker and by any offices under their management.

c) A designated managing broker shall have specific supervisory duties related to broker licensees who have received their initial broker's license but have not successfully completed their 45 hours of post-license education in accordance with the Act and Section 1450.410. These duties include:

1) Direct oversight and handling of all escrow moneys, including earnest money and security deposits.

A) The designated managing broker must have an established procedure for delivery of earnest money, in tangible form, directly from the new broker licensee to the designated managing broker for proper handling (see Section 1450.750); or

B) When payment of escrow moneys is being made electronically, the designated managing broker shall be directly responsible for the handling and oversight of electronically transferred funds (see Section 1450.750).

2) Direct involvement and oversight during contract negotiations involving the purchase, sale or lease of real estate in conjunction with real estate activities for which a license is required. During an audit or an investigation, oversight must be provided in a manner that can be effectively demonstrated to the Division.

3) Direct supervision and approval of all advertising or marketing materials proposed by the new broker licensee.

d) Under the supervision of the designated managing broker, new broker licensees who have not successfully completed the 45-hour post-license education requirement shall have no authority to bind the sponsoring broker to any contract or agreement.

e) Any violation of the provisions of the Act by any licensees employed by or associated with the sponsoring broker, or any unlicensed assistant or other unlicensed employee of a sponsoring broker, shall not be cause for suspension or revocation of a designated managing broker's license, unless a designated managing broker had knowledge of a violation of the Act. The designated managing broker's failure to provide an appropriate written company policy or failure to properly supervise shall be cause for discipline, including suspension or revocation, of the designated managing broker's license.

f) Sole Proprietors

1) A sole proprietor must be licensed as a real estate managing broker.

2) Within 15 days after the death or adjudicated disability of a sole proprietor, the Division may issue written authorization to allow the continued operation of the business, provided that an authorized representative of the sole proprietor assumes responsibility, in writing, for operation of the business and agrees to personally supervise the business. No written authorization shall be valid for more than 60 days unless extended by the Division for good cause shown and upon written request by the authorized representative. The Division will honor the order of a court of competent jurisdiction appointing a legal representative for the sole purpose of closing out the affairs of a sole proprietor who is deceased or adjudicated disabled, but not for the purpose of actively engaging in licensed activities.

3) All provisions of this Section shall apply to self-sponsored managing broker licensee who sponsor other licensees.

(Source: Amended at 45 Ill. Reg. 2851, effective February 23, 2021)