



The Department to Issue Fictitious Business Names that Include the Names of Salespersons and “Team Names”

In the Fall of 2011, the Department of Real Estate (the Department) published an article which highlighted the laws and regulations that govern the issuance and use of fictitious business names. That article provided detailed instructions on how a real estate broker can obtain a fictitious business name. The article also included important steps applicants should take to avoid any unnecessary processing delays.

Recently, the Department has received inquiries from licensed real estate brokers and salespersons requesting both clarification and guidance as to the specific laws and policies that govern the usage of “team names” in advertisements and other forms of solicitations. This article is intended to offer licensees guidance on the use of “team names”.

The use of “team names” in advertisements and marketing materials has become a popular and pervasive practice amongst real estate professionals. Throughout California “team names” such as “The Smith Team”, “The Brown and Smith Team”, or “The Robert Brown and Sarah Smith Team”, “The John Doe Group, John Doe & Associates”, for example, are often included on “For Sale” signs, billboards, business cards, promotional flyers, emails, and brochures. Although “team names” are commonly being used by licensees for real estate advertising and marketing purposes, it should be noted that team names are almost always a fictitious business name and therefore subject to the applicable state laws, rules and regulations, regarding the use of fictitious names.

The Department’s approval of a fictitious business name is governed, in part, by Business and Professions Code (B&P) 10159.5 and Real Estate Commissioner’s Regulation 2731. Based on Regulation 2731, in the past the Department generally would not issue a fictitious business name to a licensed broker that included the name of a salesperson employed by that broker unless that employing broker’s name was also included in the fictitious business name. In response to the increased popularity of real estate licensees incorporating the use of “team names” in their advertising and marketing practices, as highlighted above, the Department will now generally approve fictitious business name requests, submitted by brokers, that include the name of salespersons (and which do not include the broker’s name in the “team name”), under the following conditions:

- 1) The fictitious business name has been filed with the county clerk in which the broker’s main office is located,
- 2) The salesperson whose name is included in the fictitious business name is currently employed by the broker applying for the fictitious business name, and
- 3) The fictitious business name submitted for issuance includes the terms “team”, “associates”, or “group” or any other term that implies an existence of a team, as deemed appropriate by the department.

If a fictitious business name that contains the name of a real estate salesperson, as provided above, and is represented or used in any advertising, advertisement in print or electronic media, “For Sale”

sign, or first point of contact material as specified in Commissioner's Regulations 2773, there must be a prominent disclosure of the name and real estate license identification number of the employing broker, as well as the license identification number of the salesperson.