LOOM REALTY

Moving From Broker of Record to Designated Officer

How the conversion works in California, what it takes, and why it is worth doing. | Version 1.0 | August 2026

Most Loom Realty clients start under Broker of Record because they need to operate now. The Designated Officer structure is where most of them should end up. This guide explains the difference, what the conversion involves, and what changes on the day your corporate license issues.

1. The Difference

	Broker of Record	Designated Officer
Whose license the activity runs under	Loom Realty's license, CA DRE #02017652	Your own corporate real estate broker license
Where the broker sits	Designated broker of Loom Realty	An officer of your corporation, designated under B&P Section 10211
Advertising shows	Loom Realty and CA DRE #02017652	Your corporate name and your own license number
Your licensees affiliate with	Loom Realty	Your corporation
If the relationship ends	Licensees stop work until affiliated with a successor broker	You appoint a successor designated officer and the license stays with your corporation
Typical use	Interim, while you form an entity or someone earns a broker license	Ongoing

One structural point first. California licenses corporations as real estate brokers. It does not license limited liability companies. If your operating company is an LLC, a conversion or a new corporation comes before anything else.

2. Why It Matters

The license sits in your name

Your advertising, signage, listings, lease documents and email identification show your company and your own DRE number rather than ours. Owners, tenants, lenders and insurers see the business they are dealing with, not a brokerage they have never heard of.

It becomes an asset of your company

The license and its record belong to the corporation. If you sell the business, bring in a partner, or raise capital, the license is part of what you own rather than a service arrangement that has to be renegotiated.

You affiliate your own people directly

Salespersons join your corporation rather than routing through another brokerage. As you grow a team, that becomes simpler to administer and easier to explain.

Continuity if the broker changes

With your own corporate license, replacing a designated officer is a filing. Under Broker of Record, if the relationship ends, every licensee must stop licensed activity until affiliated with a successor broker. That is a meaningful operational difference.

Credibility with institutional counterparties

Institutional owners, lenders, insurers and joint venture partners increasingly ask who holds the license and who supervises the activity. Holding it in your own name is a cleaner answer.

3. What You Need Before You Start

- A California corporation, formed and in good standing with the Secretary of State. An LLC cannot hold a California real estate broker license.
- A qualified designated officer. This must be a person holding a California broker license, who is an officer of the corporation. If nobody in your business holds a broker license, Kayla Bramante serves in that role, which is what makes the corporate license possible.
- A Certificate of Status from the Secretary of State executed within the last 30 days, or Articles of Incorporation filed within the last 6 months.
- A fictitious business name filing from the County Clerk, if you will trade under any name other than the corporation's own name.
- Current errors and omissions and general liability insurance, which will be reissued in the corporation's name.
- A clear list of everyone who will perform licensed activity under the corporation, with license numbers and status.
- If you hold trust funds, a current Trust Account Register and a plan for re-titling accounts where needed.

4. The Steps

Step	What happens	Who does it
1	Confirm the corporation is formed and in good standing, and obtain the Certificate of Status	Client

Step	What happens	Who does it
2	Confirm the designated officer and, where required, adopt the board resolution appointing that officer	Client, with Loom Realty
3	Prepare and file the Corporation License Application (RE 201), with the license fee for each broker-officer	Loom Realty
4	File a Corporation Background Statement (RE 212), only where a director, officer or holder of more than ten percent has a history enumerated in Regulation 2746	Loom Realty, if applicable
5	File a Branch Office Application (RE 203) for any additional office location	Loom Realty, if applicable
6	File the fictitious business name with the DRE if the corporation will trade under another name	Loom Realty
7	Where the board assigns supervisory responsibility over salespersons to a broker-officer, file a certified copy of that resolution with the Real Estate Commissioner within five days of adoption	Client, with Loom Realty
8	On issuance of the corporate license, file the change applications moving each licensee from Loom Realty to your corporation	Loom Realty
9	Update advertising, signage, listings, websites, social profiles and email identification to your corporate name and license number	Client, reviewed by Loom Realty
10	Reissue insurance with the corporation as named insured, and Loom Realty and Kayla Bramante named as additional insured by endorsement	Client
11	Re-title trust accounts where required and update the Trust Account Register	Client, reviewed by Loom Realty

5. Timing

The controllable part is your paperwork. The uncontrollable part is DRE processing, which varies. Entity formation and the Certificate of Status usually take days. Assembling insurance, licensee records and trust documentation takes as long as your records take. DRE review of a corporation license application takes as long as it takes, and no broker can shorten it.

The practical consequence is to start before you need it. A conversion begun when a deadline is already running is a conversion that will miss the deadline. If you have a target date, work backwards from it and allow generously for agency processing.

6. What Changes on the Day the License Issues

- Your corporation is a licensed California real estate broker, with its own license number.
- Kayla Bramante, or your own broker, is the officer through whom the corporation is licensed, responsible for supervision and control of its licensed activity under B&P Section 10159.2.
- Your licensees are affiliated with your corporation rather than Loom Realty.
- Your advertising identifies your corporation and your license number. Loom Realty is no longer shown.
- Trust funds are held under your corporation's license.
- Your supervision, reporting and recordkeeping continue exactly as before, under the same agreement.

7. What Does Not Change

Your fees

Loom Realty fees follow the service scope you elected, not the engagement structure. A Designated Officer engagement costs the same as a Broker of Record engagement at the same scope. Converting does not trigger a price change.

Your agreement

The Broker of Record / Designated Officer Master Service Agreement covers both structures. Converting is a change of election under Section 2.1 and the required DRE filings. You do not sign a new agreement.

Your independence

Supervision remains compliance based. Loom Realty does not make day to day management decisions, negotiate leases, handle disbursements, select vendors, or make employment decisions in either structure.

The relationship

Converting brings us closer rather than ending anything. In a Designated Officer engagement Kayla is an officer of your corporation. If someone on your team earns a broker license later, you can take the role fully in house and we will transition it cleanly.

8. If Nobody in Your Company Holds a Broker License

This is the most common situation and it is worth being direct about. A corporate real estate broker license requires a designated officer who holds a broker license. A salesperson license is not sufficient. If nobody in your business holds one, your corporation cannot be licensed on its own.

That does not block the conversion. It means Kayla Bramante serves as your designated officer, and the arrangement is ongoing rather than temporary. You still get the license in your corporate name, your own license number on advertising, your own licensee affiliations, and the license as an asset of your company. What you are outsourcing is the broker role, not the license.

If someone in your business is working toward a broker license, tell us. The path is the same and the handover at the end is straightforward.

9. Common Questions

Can we convert mid-year, or do we have to wait?

You can begin at any time. Entity conversions have their own tax and filing considerations, so speak to your accountant about timing before you convert an LLC.

What happens to work in progress?

Nothing stops. Licensees continue under Loom Realty's license until the corporate license issues and the change applications are filed. The transition is sequenced so there is no gap in supervision.

Do we need a new trust account?

Not always. It depends on how the existing account is titled and who holds signing authority. We review it before filing and tell you what needs to change.

What if the designated officer leaves later?

The license stays with your corporation, and you appoint a successor designated officer by filing a corporation change application. The DRE allows only a limited period to complete that filing, so a successor should be identified before a change happens rather than after.

Can we go back to Broker of Record?

You would not normally want to, but the structures are elected in the agreement and can be changed. The DRE filings differ, so it is a process rather than a switch.

Official References

- Business and Professions Code Section 10159.2, responsibility of the designated officer for supervision and control.
- Business and Professions Code Section 10211, designation of the officer through whom a corporation is licensed.
- Business and Professions Code Section 10140.6 and Regulation 2773, license identification in advertising.
- Business and Professions Code Section 10148, retention of records for three years.
- Regulation 2725, broker supervision.
- Regulation 2746, matters requiring a corporation background statement.
- Corporations Code Section 17701.04, limits on the services a limited liability company may render.
- California Department of Real Estate, dre.ca.gov, for current forms, fees and processing information.

Next Step

If you are on a Broker of Record engagement with Loom Realty and want to begin the conversion, reply to your onboarding thread or contact us at hello@loomrealty.com. We will confirm what your corporation needs, tell you what is missing, and start the filings.

This guide is general information about California requirements and Loom Realty's services. It is not legal, tax, accounting, insurance or DRE filing advice, and it does not create a broker relationship. Requirements depend on entity type, activities, personnel, locations and current law. The agreement and its exhibits govern the engagement, and where this guide and those documents differ, those documents control.

Loom Realty, Moving From Broker of Record to Designated Officer, Version 1.0. Statutory and regulatory references current as of August 2026. · CA DRE #02017652 · 26565 Agoura Road, Suite 200, Calabasas, CA 91302 · (310) 906-5459 · loomrealty.com