LOOM REALTY

Understanding California Designated Officer and Broker of Record Services

What these arrangements are, how they differ, and what Loom Realty provides. | Version 1.0 | August 18, 2026

This guide answers the questions operators ask most often before engaging an outside broker. It is written for property management companies, leasing operators, owner-operators and new brokerages in California. Nothing here is legal advice.

The basics

What is a Broker of Record?

A Broker of Record is the responsible California broker who supervises licensed activity conducted by a business that does not have its own broker. Your licensees affiliate with that broker's brokerage, the licensed activity runs under the brokerage licence, and your advertising must identify the brokerage by name and licence number. It is common business language rather than a defined term in the Real Estate Law.

What is a Designated Officer?

A Designated Officer, sometimes called the designated broker-officer, is the broker-officer through whom a California corporation is licensed as a real estate broker. Your corporation holds its own licence. Business and Professions Code Section 10159.2 makes that officer responsible for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees, including the supervision of salespersons licensed to the corporation.

So which one do I need?

If you want the licence and the brand in your own company name, and you expect this to be a lasting arrangement, you want a Designated Officer. If you need to operate now, before your entity or your own licence is in place, a Broker of Record gets you moving and can convert later. Loom Realty prefers the Designated Officer structure and treats Broker of Record as interim.

	Designated Officer	Broker of Record
Whose licence the activity runs under	Your own corporate real estate broker licence	Loom Realty's licence, CA DRE #02017652
Where the broker sits	An officer of your corporation	The designated broker of Loom Realty
Advertising must show	Your corporate name and licence number	Loom Realty's name and CA DRE #02017652

	Designated Officer	Broker of Record
Main DRE filings	Corporation licence application; corporation change application to appoint or change the officer	Salesperson or broker change applications for each licensee
If the relationship ends	You must appoint and file a successor designated officer or your corporate licence may be cancelled	Licensees may not resume licensed activity until affiliated with a successor broker
Intended duration	Ongoing	Interim

Responsibility and control

Who is legally responsible for what happens?

The supervising broker carries the regulatory responsibility for licensed activity conducted under the licence. Regulation 2725 requires reasonable supervision, and it is specific: policies, rules, procedures and systems to review, oversee, inspect and manage licensed transactions, material documents, the filing and storage of those documents, trust fund handling, advertising, anti-discrimination training, and regular reports of licensed activity. The regulation also says a broker may delegate administrative tasks but does not relinquish overall responsibility.

Does that mean the broker runs my business?

No. Supervision is compliance based, not operational. Loom Realty does not make day to day property management decisions, negotiate leases, handle your disbursements or accounting, choose your vendors, or make employment decisions. You keep full independence over strategy, pricing, hiring, marketing and client relationships. What the broker supervises is the licensed activity itself and the records that prove it was done properly.

Do I still own my business and my clients?

Yes. Your management agreements, owner and tenant relationships, leases, listings and records are yours. Loom Realty claims no ownership interest in your book of business by acting as Broker of Record or Designated Officer, and on termination will cooperate reasonably with your transition to a successor broker.

What does the broker actually do each month?

- Files and maintains the DRE affiliation, transfer and dissociation forms for your licensees.
- Runs a monthly compliance check-in recorded in your client portal, and a quarterly review call.
- Reviews your advertising for licence identification and compliance, up to the included volume.
- Reviews your monthly trust account reconciliation, where you hold trust funds.
- Supervises and keeps records for executed leases and closed sales, according to your scope.
- Answers DRE inquiries and compliance questions relating to your activity within two business days.

- Maintains the supervision records the law requires the broker to keep.

Services and scope

What scopes are available?

Scope	What it covers
Property Management & Leasing	Broker supervision for property management and leasing activity, including short term rental and co-hosting operations
Real Estate Sales	Broker supervision for real estate sales activity, in approved scopes
Full Service	Property management, leasing and real estate sales combined
Other	A scope outside the three above, quoted individually

What does Loom Realty not do?

Loom Realty does not provide escrow services or escrow compliance services, business brokerage or M&A brokerage support, or generic residential sales team recruiting. It does not provide legal, tax, accounting or insurance advice, and it is not a law firm. Where an activity requires licensing beyond a DRE broker licence, that is a separate question and may put the engagement out of scope.

Can I add sales later, or change scope?

Yes. Scope is elected in the agreement and can be amended in writing. Licensed activity outside the elected scope is not authorised until the amendment is made and any required DRE filings are complete.

Cost

How is the service priced?

Pricing follows the service scope you elect and is the same whether you choose the Designated Officer or the Broker of Record structure.

Scope	One-time onboarding	Monthly
Property Management & Leasing	$500	$500
Real Estate Sales	$1,000	$1,000
Full Service	$1,500	$1,500
Other (custom scope)	Quoted	Quoted

Are there other fees?

Yes, and they apply only when the related activity occurs. Trust fund handling and reconciliation oversight is $100 per trust fund bank account per month. Lease transaction supervision and recordkeeping is $100 per fully executed lease. Sales transaction supervision and recordkeeping is $100 per closed sales transaction. Advertising review beyond ten pieces per calendar quarter is $50 per piece. There is no per unit, per property or percentage of rent fee for routine property management supervision. DRE filing fees, Live Scan fees, banking charges and third party costs are passed through at cost.

What if the DRE audits us, or a complaint is filed?

Intake and initial guidance of up to two hours per matter is included. Beyond that, regulatory work is billed at $250 per hour in quarter hour increments under the Compliance and Audit Support Addendum, with written notice and an estimate before charges begin and your approval required above ten hours on a single matter. Nothing is chargeable to the extent a matter arises from the broker's own gross negligence or wilful misconduct.

Can the fees change?

Only on sixty days' prior written notice, delivered by email and posted to your client portal. Base fees change no more than once in any six month period and never during your initial term. No change applies retroactively to activity already completed. Changes apply uniformly across a scope. If you do not want to accept a change, you may terminate without penalty and receive a pro rata refund of prepaid base fees.

How long is the commitment?

An initial term of three months, then month to month with thirty days' notice.

Insurance

Does California require me to carry insurance?

For real estate activity, no. California does not require errors and omissions or general liability cover for a licensee. Workers compensation is different and is required by state law wherever you have employees.

Then why does Loom Realty require it?

Because the supervising broker is exposed to claims arising from activity conducted under the licence. Loom Realty requires errors and omissions of $1,000,000 per claim and $2,000,000 aggregate, commercial general liability of $1,000,000 and $2,000,000, cyber liability of $1,000,000 where you handle tenant or owner personal information, and a fidelity or crime bond where you hold trust funds. Loom Realty and the broker must be named as additional insureds on the general liability policy by formal endorsement, and named as certificate holder.

Trust funds

Who is responsible for trust funds?

You handle them; the broker is responsible for supervising them. Under B&P Section 10145 and Regulations 2830 to 2835 the designated broker carries statutory responsibility for trust fund handling and recordkeeping, and that responsibility cannot be moved to you by contract. This is why the Trust Fund Addendum exists and why it is mandatory if you touch other people's money.

Will the broker be on my bank account?

Yes. Regulation 2834 provides that a withdrawal from a trust account may be made only on the signature of the broker, or of a person specifically authorised in writing by the broker, and an unlicensed person must be covered by a fidelity bond at least equal to the maximum trust funds accessible to them. Kayla Bramante is established as an authorised signatory on each trust account. She does not initiate routine disbursements. The signatory status exists so the broker can meet the statutory duty, obtain records directly from the bank, and intervene if a shortage or a regulatory issue arises.

What do I have to deliver each month?

A reconciliation completed by the tenth of the following month and uploaded to your portal by the fifteenth: the bank statement, the columnar record of funds received and disbursed, the beneficiary balances, the signed reconciliation record, and a written explanation of any variance, adjusting entry, aged item or negative balance.

Starting and ending

How long does onboarding take?

It depends on your documentation readiness, your entity status, which filings are required and current DRE processing times. The controllable part is you: complete records shorten it, missing records extend it. Plan for the paperwork, insurance and DRE filings to be finished before your target launch date, not on it.

What do you need from me to start?

Complete the Client Intake Form. It collects everything the agreement, the addenda and the DRE forms need in one pass, so you are not entering the same information repeatedly. The Go-Live Checklist then tracks what remains before the account can be activated.

What happens if we want to leave?

After the initial term, either side may terminate on thirty days' notice. The broker files the DRE dissociation for your licensees and cooperates reasonably with your transition. If you were on a Designated Officer engagement, you must appoint and file a qualified successor designated officer promptly, because your corporate licence can be cancelled without one. In either structure, licensed activity must stop until a successor broker is in place.

What if Loom Realty changes its name or its broker?

Loom Realty may change the brokerage name or entity, or substitute the individual acting as designated broker or designated officer, on thirty days' written notice by email. Any substitute must hold an active unrestricted California broker licence. Loom Realty prepares and pays for the DRE filings. Where you are on a Designated Officer engagement, no substitution takes effect until the successor is actually filed, so your corporation is never left without an officer of record. You would need to update your advertising and have your insurance endorsed to name the incoming party, and you may decline the change by terminating without penalty before it takes effect.

Next step

Work through the Readiness Checklist to settle your structure and scope, then send the fit review items listed in it. If the fit is right, the intake form and the agreement follow. Call or email if it is easier to talk it through first.

Loom Realty, Understanding California Designated Officer and Broker of Record Services, 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