

THE GEORGIA ASSOCIATION OF BUSINESS BROKERS MILLION DOLLAR CLUB

RULES AND REGULATIONS

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INTRODUCTION: The Georgia Association of Business Brokers (GABB), in its desire to recognize top business sales producers in the Business Brokerage industry and to provide an incentive for them to excel in their business, hereby announces the GABB Million Dollar Club and the Rules and Regulations thereof.

I. ADMINISTRATION

Annually the President-Elect of GABB may, on or before December 31, appoint a committee (“the Committee”) which shall consist of six GABB members. The Committee may review each application and will recommend to the GABB Board of Directors (“the Board”) whether the applicant meets the requirements for membership in the Million Dollar Club. Million Dollar Club Committee members shall not disclose any information reviewed to anyone other than the other current Committee members or the Chairman. Original copies of each executed nondisclosure shall be kept on file with the Board Secretary.

At the call of the Chairman, the Committee shall meet to review all Million Dollar Club applications and recommend to the Board whether the applicant meets the requirements for membership in the Million Dollar Club. If the Committee has questions about any application then the Committee shall discuss same directly with the Applicant (and said Applicant’s Designated Broker when appropriate) and said Committee shall subsequently render its recommendation to the Board.

The Million Dollar Club Committee shall review all applications and shall submit a report to the Board of Directors no later than the requested meeting date of the Board of Directors, providing recommendations with regard to each Applicant.

The Board will not withhold approval of any Applicant who has been recommended by the Committee without reasonable cause. Any Applicant not approved by the Board and recommended by the Committee will be referred to the Professional Standards Committee whose recommendation will be final in regards to the Applicant’s approval.

The Board of Directors has the final authority with respect to the approval of any application except in the event the Professional Standards Committee finds otherwise for an Applicant who has been approved by the Committee. In the event the Committee has approved the Applicant and the Board does not approve the Applicant then the Professional Standards Committee decision will prevail. The Board of Directors has the right to modify and to amend the Rules and Regulations from time to time and/or to dissolve the Million Dollar Club at its discretion. The Rules and Regulations shall remain in effect until modified by the Board of Directors.

The Million Dollar Club Committee is authorized to set an application fee, subject to

approval of the Board of Directors, prior to accepting applications for membership in the Million Dollar Club. This fee shall cover the costs of promoting and honoring the Million Dollar Club Members, as well as any plaques or certificates to be given to each recipient. In the event an Applicant does not qualify for membership, for whatever reason(s), his/her application fee will be returned.

II. MEMBERSHIP CATEGORIES:

There are five categories of membership which are:

MILLION DOLLAR CLUB MEMBER: A person who has been elected to the Million Dollar Club for eligible sales from the previous year totaling \$1,000,000 to \$ 1,999,999.

MULTI-MILLION DOLLAR CLUB MEMBER: A person who has been elected to the Million Dollar Club from the previous year for eligible sales generated totaling \$ 2,000,000 or more.

LIFE MEMBER: A person who has been elected to the Million Dollar Club for 3 consecutive years or any 5 years.

PHOENIX AWARD MEMBER: A person who has been elected to the Million Dollar Club for any 10 years.

SILVER PHOENIX AWARD: A person who has been elected to the Million Dollar Club for any 25 years.

III. SPECIAL RECOGNITION AWARDS:

TOP FIVE PRODUCERS The top five producers shall be recognized in order of their Million Dollar Club volume.

TOP PRODUCER

The Member who produced the highest Million Dollar Club volume shall be recognized as the "Top Producer of the Georgia Association of Business Brokers."

IV. REQUIREMENTS FOR MEMBERSHIP:

- A. Any Applicant who is (1) a current member in good standing of the Georgia Association of Business Brokers and (2) whose Designated Broker is also a member in good standing of the Board is eligible for membership.

- B. Membership in the Georgia Association of Business Brokers will be verified by the Million Dollar Club chairman and subject to “C” below.
- C. Only transactions closed after the effective date of membership in GABB will count as Million Dollar Club volume. The effective date for counting volume will be the date the Board receives the completed application provided that the applicant fulfills all Board membership requirements and is accepted into membership in GABB.
- D. Said Applicant must be: (1) be a member in good standing of the Georgia Association of Business Brokers during the qualifying year; (2) be a current member of the Georgia Association of Business Brokers at the time of said Applicant’s election to the Million Dollar Club by the Board of Directors; and, (3) at the time of presentation of the Million Dollar Club awards.
- E. Said Applicant must have produced new business brokerage sales of \$1,000,000 or more (“Million Dollar Club Volume”) during the previous 12-month period designated by the committee.
- F. Said Applicant must submit a properly executed and legible application to GABB’s Million Dollar club Chairman, or mail to his address, on or before the date required by the board of directors. Applications may be delivered in person to the current Chairman of the Million Dollar Club by this date.
- G. The Designated Broker of said applicant’s firm must have paid his/her dues for the current year and be in good standing with the Board of Directors. Participation and current payment to the GABB MLS (BBMS or BizBuySell) is required also. The dues must be paid for the brokerage firm as well as each individual member and must include the Applicant. The Designated Broker must have submitted the “Designated Broker Certification Letter” as well as a copy of the closing statement for each transaction along with the dues payment in order for the Million Dollar Club Applicant to be approved for Club membership.
- H. Said Applicant shall submit to GABB via upload to the GABB website, along with said application. the following:
 - a. A credit card payment or check payable to the Georgia Association of Business Brokers in the amount of current applicable fee to cover the Million Dollar Club expenses as designated by the Million Dollar club committee and approved by the Board of Directors.
 - b. A properly executed Cover Sheet, (Exhibit “A”), which shall include an applicable BBMS summary of all transactions qualifying the applicant for Million Dollar club membership or a similar document demonstrating that sold listing side transactions below \$3MM were listed on BizBuySell.

- d. A properly executed Letter of Certification, (Exhibit “B”).
- e. A copy of the closing statement from **each transaction** or other evidence of sale acceptable to the Million Dollar Club Committee for each transaction considered for calculating Million Dollar Club credit.

In the event an Applicant wishes to submit a transaction(s) for the Million Dollar Club volume which closed or had an effective credit date during the time said Applicant was affiliated with a company other than the Applicant’s current Designated Broker, the Applicant shall have his previous Designated Broker certify as to said transaction(s) by executing the Letter of Certification for the previous Designated Broker (Exhibit “D”) as well as a copy of the closing statement for each transaction prepared by the closing attorney.

V. RULES FOR CALCULATING MILLION DOLLAR CLUB VOLUME CREDIT

A. General:

1. Full credit will be allowed in the 12-month period designated by the Board of closing of a transaction in which an installment commission is paid. This means that credit will be given for the total transaction.
2. Any transaction in which the Applicant (either individually or as a principal of a partnership, corporation or LLC) owns more a 10% interest in the entity buying or selling a business (or owns a 10% interest in the real estate) shall not be used for the Million Dollar Club credit.
3. Any transaction in which the Applicant (either individually or as a principal of a partnership, corporation or co-tenancy) owns a 10% interest or less than a 10% interest in the entity buying or selling property (or owns a 10% interest or less than a 10% interest in the property) may be used as Million Dollar Club volume credit provided that the amount of credit claimed shall be reduced by the percentage of ownership pursuant to said transaction.
4. Million Dollar Club volume credit shall be given only for an Applicant acting in the transaction as a salesperson (as opposed to one acting as a managing Broker or company). Managing Broker or owner may count their individual sales but not those of their agents or employees.
5. No Million Dollar Club volume credit shall be allowed for any transaction in which a fee is collected and such fee is not contingent upon the actual closing of the transaction. No credit shall be given for appraisals, evaluations, consultations or fee-based non-contingent income. Fees collected on an hourly basis and not identified as commission due on a closing statement will not be considered for volume credit. Fees collected for the sale of a business identified as commissions due on the closing statement will be eligible for volume credit.
6. Applicant receiving salary/bonus compensation must provide certification from their Designated Broker that at least 50% of Applicant’s annual compensation was earned directly

from contingent commissions resulting from Applicant's direct involvement in brokerage transactions. Applicant receiving salary/bonus compensation must provide from their Designated Broker verification of applicants percentage share involvement, pursuant to Section VI, Paragraph 1(1) of the Rules and Regulations of the Million Dollar Club as well as a copy of the closing statement for each transaction.

7. No Million Dollar Club volume credit shall be allowed for any transaction for which the commission or brokerage fee paid is not reflected on a closing statement, valid commission agreement, disclosure statement or other documentation acceptable to the Million Dollar Club Committee.

8. In the event of a transaction in which a GABB member is cobrokering the sale with a non-GABB member, the percentage of the sale that is counted for Million Dollar Club credit for the GABB member will be 100%.

9. In the case the Listing Broker (Agent) is also the Selling Broker (Agent) then 100% of the sale price will be counted.

10. In the event that two GABB members co-broker a sale both GABB members may count 100% of the sale price for credit for Million Dollar Club volume.

11. An Applicant may apply for membership in the Million Dollar Club though a portion of said Applicant's Million Dollar Club volume is real estate as long as there is a business or the assets of a business are included in the transaction. Commercial real estate not involving a business sale or the assets of a business may not be included in Million Dollar Club volume.

12. The effective credit date (the "Effective Credit Date") for sales transactions shall be the date on which title passed.

13. In the event of an exchange or in the event there is not fixed or stipulated price (as in an exchange), then the value used to determine the commission shall be the value used to calculate Million Dollar Club volume.

14. If an Applicant sells shares of ownership in a business then the Million Dollar Club credit shall be calculated by multiplying the percentage interest of the business sold by the total sales price of the business sold.

15. If a transaction is completed but the brokerage commission has not been paid due to an unresolved dispute, then the Broker may not claim credit for the transaction until such dispute is resolved and the commission is paid. In such case, the Broker shall take credit for the transaction in the year the commission is paid.

16. Lease income may not be counted for Million Dollar Club volume credit even though a commission may be paid.

17. In the case of real estate sales occurring with **the inclusion of a Business**, then the sale of the real estate may be counted as Million Dollar Club credit.

18. Eligible sales for credit in the Million Dollar Club will be those that are listed in the GABB MLS (BBMS or BizBuySell) at time of sale unless according to the Rules and Regulations are not required to be in the MLS. Any transaction submitted for credit for the Million Dollar Club credit which is not in the BBMS or BizBuySell systems will be referred to the MLS Committee for review and appropriate action. If the transaction violates any Rule or Regulation for the MLS then it will not be eligible for credit for Million Dollar Club credit. If the MLS Committee approves the exception from the MLS the sale will then be returned to the Million Dollar Club Committee for review and subsequent decision.

VI. RULES FOR PROMOTING OF MILLION DOLLAR CLUB MEMBERSHIP

A. Members of the Million Dollar Club are authorized to use the Million Dollar Club seal and insignia adopted by the Georgia Association of Business Brokers for use on business cards, letterhead or other printed matter only during the year in which they are members of the Million Dollar Club. Exception is made if the year of election is listed on the card, letterhead, etc. Life Members of the Million Dollar Club shall be eligible to use such seals and insignia in gold as long as they live, provided that they are at the time of usage a GABB member in good standing with the Board.

B. Members of the Million Dollar Club (as appropriate) may promote their membership on business cards, letterhead or other printed matter as follows:

“Life Member-GABB Million Dollar Club” “(Year) Member-GABB Million Dollar Club” “(Year) Member-GABB Multi-Million Dollar Club” “Phoenix Award Winner-GABB Million Dollar Club” “Silver Phoenix Award Winner-GABB Million Dollar Club” “Top Ten Producer-GABB (Year) Million Dollar Club” “Overall Top Producer-GABB (Year) Million Dollar Club”

VII. MISCELLANEOUS

For a transaction to qualify for Million Dollar Club volume credit the commission or fee paid must be reported on the transaction’s closing statement, in a valid commission agreement or other documentation acceptable to the Million Dollar Club Committee. The Million Dollar Club Committee shall have the right to review with any Applicant the documents relating to a transaction which are deemed relevant by the Committee including company pay vouchers. Any Applicant shall promptly cooperate with the Committee regarding said documents when requested by the Committee.

VIII. APPLICATION CHECKLIST:

- A. **Deadline for submission will be set by the board of directors.** Applications must be received by the Million Dollar Club chairman, by this time.
- B. Applications must be submitted only on the official website of the Georgia Association of Business Brokers' Million Dollar Club, or on official forms provided by the GABB. (Please make photocopies of "Exhibits A -C" as necessary).
- C. Million Dollar Club fees must be paid. Please pay with a credit card on the GABB website or enclose a check made payable to the Georgia Association of Business Brokers for the applicable fee.
- D. Applications must be legible.
- E. The application must be certified by the Designated Broker in accordance with the Million Dollar Club records. This is necessary if the Review Committee needs to consult with the Applicant regarding his/her application.
- G. Applicant is required to make a copy of his/her application for his/her own records.
- H. Please submit a good quality color photo with your application.
- I. A copy of the closing statement prepared by the closing attorney will accompany each transaction submitted.
- J. All transaction submitted that did not appear in the BBMS or in the BizBuySell system will follow the Rules and Regulations as set forth for the GABB BBMS or the BizBuySell system. All transactions not appearing in the BBMS or the BizBuySell system shall have any necessary documentation necessary to comply with the GABB BBMS Rules and Regulations or BizBuySell Rules and Regulations with each transaction that is exempted.
- K. All transactions submitted for credit in the GABB Million Dollar Club shall be recorded in the GABB BBMS or Pratt's Stats **Sold** database on or before January 31st, of the following year the Applicant is applying for membership credit in the Million Dollar Club.

**APPENDIX "A" THE GEORGIA ASSOCIATION OF BUSINESS
BROKERS, INC. OFFICIAL MILLION DOLLAR CLUB APPLICATION**

Name (Exactly as it will appear on your certificate)

Company Name (Exactly as it will appear on your certificate)

Date of Membership in the Georgia Association of Business Brokers

Office Telephone

Email Address

Cell Phone Number

I choose to receive newspaper publicity: _____ Yes _____ No

Summary of Million Dollar Club Volume: (Attach proper Transaction Summary forms) Number of Transactions _____ Total Dollar Volume \$ _____

APPENDIX “C” LETTER OF CERTIFICATION

I, _____, Applicant, hereby affirm that I have read the Rules and Regulations of the (Year) Million Dollar Club of the Georgia Association of Business Brokers, Inc., and I hereby make application for membership in the Million Dollar Club of the Georgia Association of Business Brokers, Inc.

In order that this application be considered, I hereby represent that I personally handled, during _____ (Year), the business transactions described on the attached forms totaling \$_____, and that said transactions qualify for the GABB Million Dollar Club volume as described in the Rules and Regulations.

I, _____, Applicant’s Designated Broker, affirm that I have read the Rules and Regulations of the (Year) Million Dollar Club of the Georgia Association of Business Brokers, Inc. and I have read and reviewed the Application and represent that it is true and correct and that the Applicant has met all of the qualifications for admission in the GABB Million Dollar Club as set forth in said Rules and Regulations. I also affirm that all of the herein information is in accordance with our company records and that there were no cooperating agents except as shown herein either in or out of our office and that a commission was paid in cash or collectable note for each transaction.

I understand that should there be any misrepresentation in form and/or content of the herein Application, other than typographical or mathematical mistakes, that the herein Applicant shall be automatically disqualified and the Applicant, and I will be reported to the Professional Standards Committee of the Georgia Association of Business Brokers, Inc. for appropriate disciplinary action.

A copy of the closing statement prepared by the closing attorney for each transaction has been submitted with this form.

I certify that all transactions submitted were included in the GABB MLS system or the BizBuySell system for sale, and that any transactions that did not appear were exempted by the GABB MLS Rules and Regulations. All documentation required by the GABB MLS for exempted transactions is submitted with this form. I understand that the inclusion of these exempted transactions could result in an audit of any or all of our company’s transactions and listing records.

I further certify that all transactions included have been or will be included in the GABB MLS Sold Database or Pratt’s Stats Database by December 31 of the qualifying year.

This _____ day of _____, _____.

Signature of Applicant

Signature of Designated Broker

APPENDIX “D” LETTER OF CERTIFICATION OF PREVIOUS DESIGNATED BROKER

I, _____, Applicant’s Previous Designated Broker, affirm that I have read the Rule and Regulation of the (Year) Million Dollar Club of the Georgia Association of Business Brokers, Inc. I also affirm that all of the herein information as set forth in the Transaction Forms attached hereto are in accordance with our company records and that there were no cooperating agents except as shown here in either in or out of our office and that the commission was paid in accordance with the Rules and Regulations.

I understand that should there be any misrepresentation in form and/or content of the herein Application, other than typographical or mathematical mistakes, that the herein Applicant shall be automatically disqualified and the Applicant and I will be reported to the Professional Standards Committee of the Georgia Association of Business Brokers, Inc. for appropriate disciplinary action.

A copy of the closing statement prepared by the closing attorney for each transaction is submitted with this form.

I certify that all transactions submitted were included in the GABB MLS system or the BizBuySell system for sale and that any transactions that did not appear were exempted by the GABB MLS Rules and Regulations. All documentation required for the GABB MLS for exempted transactions will be submitted to the GABB. I understand that the inclusion of these exempted transactions could result in an audit of any or all of our company’s transactions and listing records.

I further certify that all transactions included have been or will be included in either the GABB MLS Sold Database or Pratt’s Stats Database by January 12, 2014.

The total Million Dollar Club volume under this certificate is:

\$ _____.

This _____ day of _____, _____.

Signature of Applicant

Signature of Previous Designated Broker

Company of Previous Designated Broker