

SUBCOMMITTEE COMMENT: This section is new language derived without substantive change from the second sentence of former Art. 56, § 218(b).

In this section, the references to "associate real estate brokers" are added, on the recommendation of the Joint Subcommittee on the Business Occupations Article, to expand the limitations on holding an interest in a corporation or partnership to include associate real estate brokers.

In subsection (a) of this section, the language "outstanding voting stock of a corporation" is substituted for the former language "equity interest ... in a ... corporation", for clarity.

In subsection (b) of this section, the language "interest in a partnership" is substituted for the former language "equity interest ... in a partnership", for clarity.

The former reference to "association" is deleted as surplusage.

Defined terms: "Associate real estate broker" § 4-101  
 "Provide real estate brokerage services" § 4-101  
 "Real estate salesperson" § 4-101

#### 4-512. FORMATION OF PROFESSIONAL SERVICE CORPORATION BY REAL ESTATE SALESPERSONS AND ASSOCIATE REAL ESTATE BROKERS.

##### (A) IN GENERAL.

WITH THE CONSENT OF A LICENSED REAL ESTATE BROKER, 1 OR MORE LICENSED REAL ESTATE SALESPERSONS AND LICENSED ASSOCIATE REAL ESTATE BROKERS WHO ARE AFFILIATED WITH THE REAL ESTATE BROKER MAY ORGANIZE AND WHOLLY OWN A PROFESSIONAL SERVICE CORPORATION UNDER THE MARYLAND PROFESSIONAL SERVICE CORPORATION ACT, TITLE 5, SUBTITLE 1, OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

##### (B) COMPOSITION OF CORPORATION.

A PROFESSIONAL SERVICE CORPORATION MAY BE ORGANIZED AND OWNED UNDER THIS SECTION BY ANY NUMBER AND ANY COMBINATION OF LICENSED REAL ESTATE SALESPERSONS AND LICENSED ASSOCIATE REAL ESTATE BROKERS. HOWEVER, EACH SHAREHOLDER IN THE CORPORATION SHALL BE EITHER A LICENSED REAL ESTATE SALESPERSON OR A LICENSED ASSOCIATE REAL ESTATE BROKER.

##### (C) PAYMENT OF COMMISSIONS TO CORPORATION.