

March 30, 1972

OPINION LETTER NO. 25
Answer by letter-Curtis



Mr. James Flanagan, Chairman
Missouri Real Estate Commission
222 Monroe Street
Jefferson City, Missouri 65101

Dear Mr. Flanagan:

This is in reply to your opinion request asking whether individuals, associations, or corporations, who operate services commonly known as "multiple listing" or "multi-list" are required to be licensed as real estate brokers pursuant to Chapter 339, RSMo 1969.

It is our understanding that multiple listing is a service based on an agreement among real estate brokers in a given area whereby member brokers are authorized to sell any real property that is originally listed with another member broker. Multiple listing groups are commonly incorporated or organized as associations. The corporations and associations promulgate rules and regulations to guide their member brokers. Normally, when a real estate broker obtains a new listing he reports it to his organization's central office or bureau. The multi-list bureau then disseminates the listing information to the other member brokers. When a sale is made the selling broker usually pays a small percentage of his commission to the multiple listing corporation. Some multiple listing organizations simply charge their brokers a fixed annual, or monthly, or unit charge. All members of multiple listing organizations are individually licensed to act as real estate brokers.

The issue is whether the conduct of the multiple listing organizations is such as to come within the definition of a real estate broker found in Section 339.010, RSMo 1969:

Mr. James Flanagan

"A 'real estate broker' is any person, co-partnership, association or corporation, foreign or domestic, who advertises, claims to be or holds himself out to the public as a real estate broker or dealer and who for a compensation or valuable consideration, as whole or partial vocation, sells or offers for sale, buys or offers to buy, exchanges or offers to exchange the real estate of others; or who leases or offers to lease, rents or offers for rent the real estate of others; or who loans money for others or offers to negotiate a loan secured or to be secured by a deed of trust or mortgage on real property."

Multiple listing organizations serve a single, narrow purpose: They simply disseminate listing information for the licensed real estate brokers. These organizations perform none of the traditional acts of real estate brokers, such as advertising and showing listed property; completing real estate contracts and receiving earnest money deposits; and arranging for "closing" on real estate transactions. All of these functions are performed by the individual real estate brokers. The transacting parties do not pay any commissions to the multiple listing organizations; rather, these organizations collect any fees or charges directly from the brokers.

We are persuaded that multiple listing organizations do not hold themselves out to the public as real estate brokers nor do these organizations engage in the business of buying and selling the real estate of others.

It is our view that multiple listing organizations do not act as real estate brokers and thus are not required to be licensed as real estate brokers pursuant to Chapter 339, RSMo.

Yours very truly,

JOHN C. DANFORTH
Attorney General