



# Nevada Real Estate Division



A Division of the [Department of Business & Industry](#)  
**Our Mission:** The mission of the Nevada Real Estate Division is to safeguard and promote public interest in real estate transactions by developing an informed public and a professional real estate industry.

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## Business Broker

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*During the 73rd Session of the Nevada Legislature, Senate Bill 315 was passed, requiring a permit endorsement on a real estate license to engage in business brokerage. Any person who has a real estate license on October 1, 2005, may continue to act as a business broker without a permit until January 1, 2007. The permit requires a background investigation, an application and a fee. The application is available on the Division's website at [www.red.state.nv.us/forms/624.pdf](http://www.red.state.nv.us/forms/624.pdf). The business broker legislation is encoded as NRS 645.863-867.*

### WHAT IS A BUSINESS BROKER?

NRS 645.0075 defines a business broker as a person who, while acting as a real estate broker, broker-salesman or salesman for another and for compensation or with the intention or expectation of receiving compensation:

- (a) Sells, exchanges, options or purchases a business;
- (b) Negotiates or offers, attempts or agrees to negotiate the sale, exchange, option or purchase of a business; or
- (c) Lists or solicits prospective purchasers of a business.

The Real Estate Commission adopted regulations clarifying "engage in business as a business broker" to mean engaging in the business of:

1. Selling, exchanging, optioning or purchasing;
2. Negotiating or offering, attempting or agreeing to negotiate the sale, exchange, option or purchase of; or
3. Listing or soliciting prospective purchasers of; the tangible assets and goodwill of an existing enterprise, if the sale or purchase of the tangible assets and goodwill of the enterprise requires the seller and purchaser to file with the Internal Revenue Service a Form 8594, Asset Acquisition Statement, or its equivalent or successor form.

### OBTAINING A BUSINESS BROKER PERMIT

A person who wishes to obtain a permit must:

- (a) Submit to the Division:
  - (1) A completed [application](#) on a form prescribed by the Division;
  - (2) A fee of \$40;
  - (3) A certificate of completion, in a form satisfactory to the Division, indicating that the applicant has successfully completed the 24 hours of classroom instruction relating to business brokerage required by paragraph (a) of subsection 2 of NRS 645.863; and
- (b) Pass an examination that is prepared and administered by an organization designated by the Division, with a score of at least 75 percent. There is a \$75 fee for the exam. The examination must:
  - (1) Include the subject matter presented in the hours of classroom instruction required pursuant to subsection 2; and
  - (2) Consist of at least 50 multiple-choice questions.

**EDUCATION REQUIREMENTS**

The 24 hours of classroom instruction relating to business brokerage required by paragraph (a) of subsection 2 of NRS 645.863 must include, without limitation:

- (a) Eight hours of instruction relating to financial statements, including, without limitation:
  - (1) Income statements, balance sheets and cash flow statements;
  - (2) Reformatting and recasting income statements and balance sheets; and
  - (3) Terms and concepts used in financial statements.
- (b) Six hours of instruction relating to the valuation of a business, including, without limitation:
  - (1) Business value and alternative purchase offers;
  - (2) Cash equivalent value;
  - (3) Business purchase price and seller carry-back notes;
  - (4) Investment value and fair market value;
  - (5) Determining the value of goodwill;
  - (6) The significance of a business's assets in creating market value;
  - (7) The market value of a franchised business; and
  - (8) The rules of thumb of business valuation.
- (c) Six hours of instruction relating to purchase offer and sale considerations, including, without limitation:
  - (1) Structuring the transaction;
  - (2) Describing the business;
  - (3) Asset sales and stock sales;
  - (4) Describing the tangible assets being acquired;
  - (5) Describing the goodwill being acquired;
  - (6) Including real property in the transaction;
  - (7) Describing the assets included in the purchase;
  - (8) Describing the assets excluded from the purchase;
  - (9) Cash on hand;
  - (10) Method and terms of payment;
  - (11) Assumption by the buyer of liabilities of the seller;
  - (12) Notification of creditors of the seller;
  - (13) Method for the calculation of the purchase price of a business when the buyer of the business assumes the liabilities of the seller;
  - (14) Adjustments at the close of escrow to the liabilities of the seller assumed by the buyer; and
  - (15) Summarizing the structure of the transaction.
- (d) Four hours of instruction relating to business brokerage and professional practices, including, without limitation:
  - (1) Business opportunity contracts, agreements and disclosure forms;
  - (2) Marketing, preparing a business for sale and advertising a business for sale;
  - (3) Understanding the significance of the "potential" of a business;
  - (4) Offering prospectus and confidentiality agreement;
  - (5) Issues of business brokerage compensation;
  - (6) Purchase offer and acceptance forms used for business opportunities; and
  - (7) Business broker and business appraiser associations.

The Division may accept a course in business brokerage from a nationally recognized or accredited organization to fulfill the educational requirements set forth in subsection 2 if the successful completion of that course would qualify the applicant to engage in business as a business broker pursuant to the requirements of that organization.

**FINGERPRINTING AND BACKGROUND CHECK**

Each applicant must pay a fee determined by the Division for the costs of an investigation of the applicant's background.

Each applicant must, as part of his application and at his own expense:

- (a) Arrange to have a complete set of his fingerprints taken by a law enforcement agency or other authorized entity acceptable to the Division; and

(b) Submit to the Division:

(1) A completed fingerprint card and written permission authorizing the Division to submit the applicant's fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Division deems necessary; or

(2) Written verification, on a form prescribed by the Division, stating that the fingerprints of the applicant were taken and directly forwarded electronically or by other means to the Central Repository and that the applicant has given written permission to the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Division deems necessary.

The Division may submit those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the Division deems necessary. The Division may also request from each such agency any information regarding the applicant's background as the Division deems necessary.

### **ISSUANCE AND RENEWALS**

A permit initially issued by the Division is effective on the date on which the applicant submits the application for the permit to the Division or on the date on which the applicant pays the fee for the permit, whichever occurs later.

A permit expires on the same date as the applicant's real estate license. The Division may renew a permit if the holder of the permit submits to the Division:

a) A request for the renewal of the permit with the application to renew his license;

(b) A renewal fee of \$40; and

(c) Documentation indicating that the holder of the permit has successfully completed the continuing education required by paragraph (a) of subsection 4 of NRS 645.863.

The renewal of a permit is effective on the date on which the applicant submits to the Division an application to renew his license or the applicant pays the renewal fees for the license and the permit, whichever occurs later.

For an applicant to receive credit for a course of instruction in business brokerage that is designed to fulfill the educational requirements for the issuance or renewal of a permit, the Commission must approve the course.

An educational institution that wishes to obtain the approval of the Commission to offer courses that meet the educational requirements for the issuance or renewal of a permit must apply to the Division pursuant to the procedures set forth in NAC 645.400 to 645.467, inclusive.