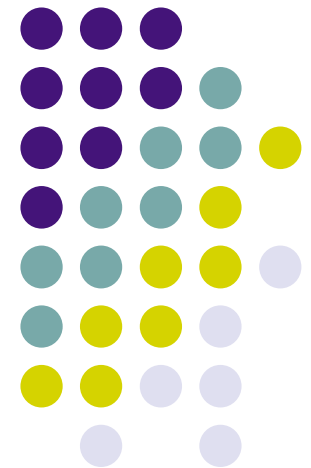


Commission Concepts

An Analytic Tool Developed By

REAL *Trends*
The Trusted Source



Commission Concepts

REAL *Trends*
The Trusted Source



- REAL *Trends* has developed a dynamic analytic tool to help residential real estate brokers effectively manage their commission plans
- By creating this program in an easy-to-use format, and one which is *managed and controlled* by the broker, an infinite number of possibilities can be analyzed by the broker
- Results are presented in tables and graphs for quick interpretation
- REAL *Trends*' principals will also be available to you for consultation on this process

Commission Concepts



- After inputting, compare and contrast multiple commission plans at once
- Make any number of changes at any time

Plan 1				Plan 2				Plan 3				Plan 4 - "Rolling 12 Months"			
	GCI			GCI				GCI				GCI			
Tier 1	\$0	\$56,000	60.0%	Tier 1	\$0	\$56,000	50.0%	Tier 1	\$0	\$56,000	50.0%	Tier 1	\$0	\$50,000	50.0%
Tier 2	\$56,001	\$99,999	70.0%	Tier 2	\$56,001		90.0%	Tier 2	\$56,001		90.0%	Tier 2	\$60,001	\$72,727	55.0%
Tier 3	\$100,000	\$199,999	80.0%	Tier 3				Tier 3				Tier 3	\$72,728	\$108,333	60.0%
Tier 4	\$200,000	\$299,999	85.0%	Tier 4				Tier 4				Tier 4	\$108,334	\$150,000	70.0%
Tier 5	\$300,000		90.0%	Tier 5				Tier 5				Tier 5	\$150,001	\$213,333	75.0%
Tier 6				Tier 6				Tier 6				Tier 6	\$213,334	\$312,500	80.0%
Tier 7				Tier 7				Tier 7				Tier 7	\$312,501	\$423,529	85.0%
Tier 8				Tier 8				Tier 8				Tier 8	\$423,530		90.0%
Tier 9				Tier 9				Tier 9				Tier 9			
Tier 10				Tier 10				Tier 10				Tier 10			
Tier 11				Tier 11				Tier 11				Tier 11			
Tier 12				Tier 12				Tier 12				Tier 12			
Tier 13				Tier 13				Tier 13				Tier 13			
Tier 14				Tier 14				Tier 14				Tier 14			
Company Dollar Cap: \$0				Company Dollar Cap: \$0				Company Dollar Cap: \$25,000				Company Dollar Cap: \$0			
Annual Fees: \$0				Annual Fees: \$0				Annual Fees: \$0				Annual Fees: \$0			
Risk Management	\$0			Risk Management	\$0			Risk Management	\$0			Risk Management	\$0		
Technology	\$0			Technology	\$0			Technology	\$0			Technology	\$0		
Marketing	\$0			Marketing	\$0			Marketing	\$0			Marketing	\$0		
Desk/Office	\$0			Desk/Office	\$0			Desk/Office	\$0			Desk/Office	\$0		
Other/Remainder	\$0			Other/Remainder	\$0			Other/Remainder	\$0			Other/Remainder	\$0		
Monthly Fees: \$99				Monthly Fees: \$0				Monthly Fees: \$155				Monthly Fees: \$55			
Risk Management	\$0			Risk Management	\$0			Risk Management	\$0			Risk Management	\$0		
Technology	\$0			Technology	\$0			Technology	\$55			Technology	\$55		
Marketing	\$0			Marketing	\$0			Marketing	\$0			Marketing	\$0		
Desk/Office	\$99			Desk/Office	\$0			Desk/Office	\$100			Desk/Office	\$0		
Other/Remainder	\$0			Other/Remainder	\$0			Other/Remainder	\$0			Other/Remainder	\$0		
Level 1 Transaction Fees: \$100 <i>(when Agent GCI is \$56,000 or below)</i>				Level 1 Transaction Fees: \$100 <i>(when Agent GCI is \$56,000 or below)</i>				Level 1 Transaction Fees: \$100 <i>(when Agent GCI is \$56,000 or below)</i>				Level 1 Transaction Fees: \$100 <i>(when Agent GCI is \$60,000 or below)</i>			
Risk Management	\$0			Risk Management	\$0			Risk Management	\$0			Risk Management	\$0		

Commission Concepts



- Results are cleanly presented to allow easy analysis of individual and company-wide impact for each plan
- Can then go back to plans and make changes as needed

							\$3,000	10%						\$3,000			
Last Name	First Name	LTM Actual					Plan 1						Plan 2				
		Sides	GCI	Agent Earnings	Adjusted Company Dollar	Percent Retained	Agent Earnings	Fees Paid by Agent	Adjusted Company Dollar	Percent Retained	Variance from Current		Agent Earnings	Fees Paid by Agent	Adjusted Company Dollar	Percent Retained	Variance fr Adjusted Company Dollar
										Adjusted Company Dollar	Percent Retained						
TOTAL COMPANY		288	\$2,208,000	\$1,650,440	\$563,485	25.5%	\$1,639,483	\$47,808	\$616,325	27.9%	\$52,840	2.4%	\$1,710,792	\$131,814	\$629,022	28.5%	\$65,537
Kolding	Nicolai	1	\$55,000	\$34,000	\$21,100	38.4%	\$33,000	\$1,288	\$23,288	42.3%	\$2,188	4.0%	\$27,500	\$100	\$27,600	50.2%	\$6,500
Murray	Steve	16	\$275,000	\$211,000	\$64,400	23.4%	\$208,148	\$2,788	\$69,640	25.3%	\$5,240	1.9%	\$225,099	\$7,971	\$57,872	21.0%	(\$6,528)
Broset	Amy	167	\$525,000	\$420,000	\$108,000	20.6%	\$431,897	\$17,888	\$110,991	21.1%	\$2,991	0.6%	\$450,099	\$91,293	\$166,194	31.7%	\$58,794
Schmoe	Joe	1	\$1,500	\$940	\$585	39.0%	\$900	\$1,288	\$1,888	125.9%	\$1,303	86.9%	\$750	\$100	\$850	56.7%	\$265
Wonka	Willy	12	\$29,000	\$17,000	\$12,200	42.1%	\$17,400	\$2,388	\$13,988	48.2%	\$1,788	6.2%	\$14,500	\$1,200	\$15,700	54.1%	\$3,500
Reagan	Ronald	9	\$215,000	\$159,000	\$56,250	26.2%	\$157,148	\$2,088	\$59,940	27.9%	\$3,690	1.7%	\$171,099	\$4,228	\$48,129	22.4%	(\$8,121)
Washington	George	15	\$350,000	\$272,000	\$78,375	22.4%	\$274,397	\$2,688	\$78,291	22.4%	(\$84)	0.0%	\$292,599	\$7,800	\$65,201	18.6%	(\$13,174)
Bush	George H.W.	7	\$115,000	\$84,000	\$31,200	27.1%	\$76,399	\$1,888	\$40,489	35.2%	\$9,289	8.1%	\$81,099	\$2,496	\$36,397	31.6%	\$5,197
Nixon	Richard	4	\$30,000	\$17,500	\$12,600	42.0%	\$18,000	\$1,588	\$13,588	45.3%	\$988	3.3%	\$15,000	\$400	\$15,400	51.3%	\$2,800
Ford	Gerald	2	\$31,000	\$19,000	\$12,100	39.0%	\$18,600	\$1,388	\$13,788	44.5%	\$1,688	5.4%	\$15,500	\$200	\$15,700	50.6%	\$3,600
Lincoln	Abraham	3	\$18,000	\$11,000	\$7,075	39.3%	\$10,800	\$1,488	\$8,688	48.3%	\$1,613	9.0%	\$9,000	\$300	\$9,300	51.7%	\$2,225
Kennedy	John	5	\$155,000	\$112,000	\$43,100	27.8%	\$108,399	\$1,688	\$48,289	31.2%	\$5,789	3.3%	\$117,099	\$2,097	\$39,998	25.8%	(\$3,102)
Adams	John	17	\$250,000	\$189,000	\$61,400	24.6%	\$186,898	\$2,888	\$65,990	26.4%	\$4,590	1.8%	\$202,599	\$8,296	\$55,697	22.3%	(\$5,703)
Adams	John Quincy	2	\$22,500	\$15,000	\$7,550	33.6%	\$13,500	\$1,388	\$10,388	46.2%	\$2,838	12.6%	\$11,250	\$200	\$11,450	50.9%	\$3,900
Madison	James	11	\$66,000	\$43,000	\$23,250	35.2%	\$40,599	\$2,288	\$27,689	42.0%	\$4,439	6.7%	\$36,999	\$1,933	\$30,934	46.9%	\$7,684
Jefferson	Thomas	16	\$70,000	\$46,000	\$24,300	34.7%	\$43,399	\$2,788	\$29,389	42.0%	\$5,089	7.3%	\$40,599	\$3,200	\$32,601	46.6%	\$8,301

Commission Concepts



- The “Breakage Analyzer” allows you to set logical thresholds to see which agents may be at risk
- Affected agents highlighted individually and in total for purer results

Breakage Analyzer													
		\$3,000						\$3,000					
Last Name	First Name	Existing Plan			Plan 1			Plan 2			Plan 3		
		GCI	Adjusted Company Dollar	Percent Retained	GCI	Adjusted Company Dollar	Percent Retained	GCI	Adjusted Company Dollar	Percent Retained	GCI	Adjusted Company Dollar	Pe Re
TOTAL COMPANY		\$2,208,000	\$563,485	25.5%	\$2,208,000	\$616,325	27.9%	\$2,208,000	\$629,022	28.5%	\$2,208,000	\$477,574	
LESS: BREAKAGE RISK					\$1,146,000	\$341,427	29.8%	\$913,500	\$336,576	36.8%	\$846,500	\$280,817	
ADJUSTED TOTAL					\$1,062,000	\$274,898	25.9%	\$1,294,500	\$292,446	22.6%	\$1,361,500	\$196,757	
Kolding	Nicolai	\$55,000	\$21,100	38.4%	\$55,000	\$23,288	42.3%	\$55,000	\$27,600	* 50.2%	\$55,000	\$26,960	*
Murray	Steve	\$275,000	\$64,400	23.4%	\$275,000	\$69,640	* 25.3%	\$275,000	\$57,872	21.0%	\$275,000	\$34,831	
Broset	Amy	\$525,000	\$108,000	20.6%	\$525,000	\$110,991	21.1%	\$525,000	\$166,194	* 31.7%	\$525,000	\$118,163	*
Schmoe	Joe	\$1,500	\$585	39.0%	\$1,500	\$1,888	125.9%	\$1,500	\$850	56.7%	\$1,500	\$2,710	1
Wonka	Willy	\$29,000	\$12,200	42.1%	\$29,000	\$13,988	48.2%	\$29,000	\$15,700	* 54.1%	\$29,000	\$17,560	*
Reagan	Ronald	\$215,000	\$56,250	26.2%	\$215,000	\$59,940	* 27.9%	\$215,000	\$48,129	22.4%	\$215,000	\$31,088	
Washington	George	\$350,000	\$78,375	22.4%	\$350,000	\$78,291	22.4%	\$350,000	\$65,201	18.6%	\$350,000	\$34,660	
Bush	George H.W.	\$115,000	\$31,200	27.1%	\$115,000	\$40,489	* 35.2%	\$115,000	\$36,397	* 31.6%	\$115,000	\$29,356	
Nixon	Richard	\$30,000	\$12,600	42.0%	\$30,000	\$13,688	45.3%	\$30,000	\$15,400	51.3%	\$30,000	\$17,260	*
Ford	Gerald	\$31,000	\$12,100	39.0%	\$31,000	\$13,788	44.5%	\$31,000	\$15,700	* 50.6%	\$31,000	\$17,560	*
Lincoln	Abraham	\$18,000	\$7,075	39.3%	\$18,000	\$8,688	48.3%	\$18,000	\$9,300	51.7%	\$18,000	\$11,160	*
Kennedy	John	\$155,000	\$43,100	27.8%	\$155,000	\$48,289	* 31.2%	\$155,000	\$39,998	25.8%	\$155,000	\$28,957	
Adams	John	\$250,000	\$61,400	24.6%	\$250,000	\$65,990	* 26.4%	\$250,000	\$55,697	22.3%	\$250,000	\$35,156	
Adams	John Quincy	\$22,500	\$7,550	33.6%	\$22,500	\$10,388	46.2%	\$22,500	\$11,450	* 50.9%	\$22,500	\$13,310	*
Madison	James	\$66,000	\$23,250	35.2%	\$66,000	\$27,689	* 42.0%	\$66,000	\$30,934	* 46.9%	\$66,000	\$28,793	*
Jefferson	Thomas	\$70,000	\$24,300	34.7%	\$70,000	\$29,369	* 42.0%	\$70,000	\$32,601	* 46.6%	\$70,000	\$30,060	*

Commission Concepts



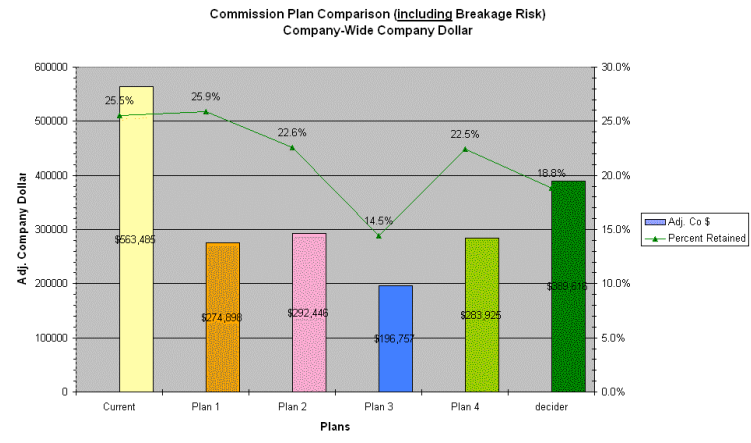
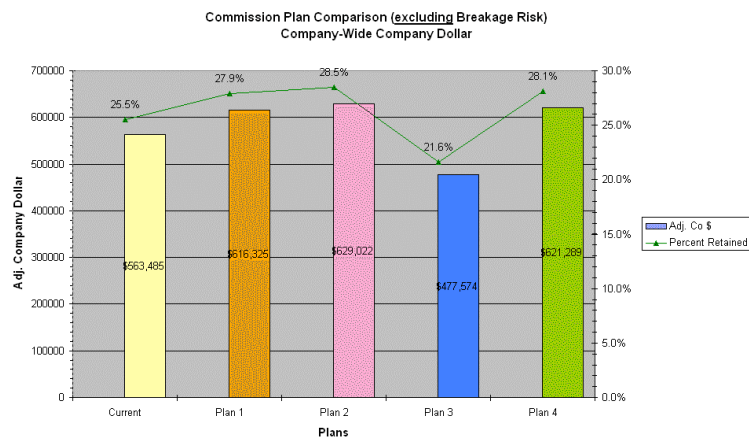
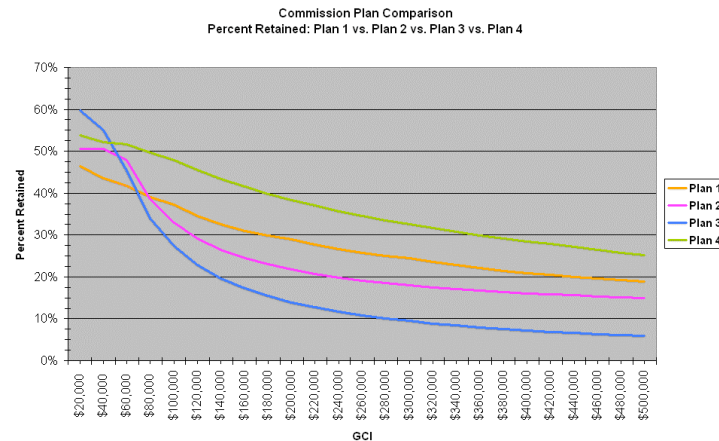
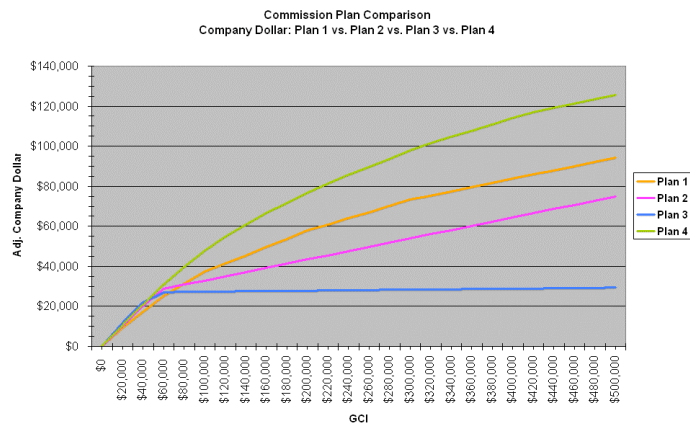
- The “Decider” then chooses which of your multiple plans may be best suited for each individual agent
- Total impact to company summarized

The Decider								
								\$3,000
Last Name	First Name	Existing Plan			Best Plan to Agent	Adjusted		
		GCI	Company Dollar	Percent Retained		GCI	Company Dollar	Percent Retained
TOTAL COMPANY		\$2,208,000	\$563,485	25.5%		\$2,208,000	\$446,694	20.2%
LESS: BREAKAGE RISK						\$136,000	\$57,077	42.0%
ADJUSTED TOTAL						\$2,072,000	\$389,616	18.8%
Kolding	Nicolai	\$55,000	\$21,100	38.4%	1	\$55,000	\$23,288	42.3%
Murray	Steve	\$275,000	\$64,400	23.4%	3	\$275,000	\$34,831	12.7%
Broset	Amy	\$525,000	\$108,000	20.6%	1	\$525,000	\$110,991	21.1%
Schmoe	Joe	\$1,500	\$585	39.0%	2	\$1,500	\$850	56.7%
Wonka	Willy	\$29,000	\$12,200	42.1%	1	\$29,000	\$13,988	48.2%
Reagan	Ronald	\$215,000	\$56,250	26.2%	3	\$215,000	\$31,088	14.5%
Washington	George	\$350,000	\$78,375	22.4%	3	\$350,000	\$34,660	9.9%
Bush	George H.W.	\$115,000	\$31,200	27.1%	3	\$115,000	\$29,356	25.5%
Nixon	Richard	\$30,000	\$12,600	42.0%	1	\$30,000	\$13,588	45.3%
Ford	Gerald	\$31,000	\$12,100	39.0%	1	\$31,000	\$13,788	44.5%
Lincoln	Abraham	\$18,000	\$7,075	39.3%	1	\$18,000	\$8,888	48.3%
Kennedy	John	\$155,000	\$43,100	27.8%	3	\$155,000	\$28,957	18.7%
Adams	John	\$250,000	\$61,400	24.6%	3	\$250,000	\$35,156	14.1%
Adams	John Quincy	\$22,500	\$7,550	33.6%	1	\$22,500	\$10,388	46.2%
Madison	James	\$66,000	\$23,250	35.2%	1	\$66,000	\$27,889	* 42.0%
Jefferson	Thomas	\$70,000	\$24,300	34.7%	1	\$70,000	\$29,389	* 42.0%

Commission Concepts



- All data also presented graphically for easier interpretation



Commission Concepts

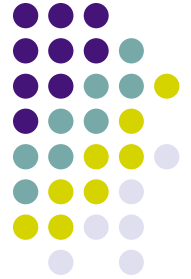


- There is a also a template to build and compare your entire array of costs and services to the competition
- Useful in both recruiting and retention efforts to extend discussion beyond splits by comparing entire value proposition

Prepared For:		John Quincy Adams		Date:		12/11/2009	
Rolling 12 Month Performance				Fixed Costs			
Listings Taken	Listings Sold	Settled Buyer Sides	Average Sales Price	SOI Source of Business Ratio	Shared Office Expense		
12	6	6	\$200,000		Management Fee	\$0	
			Company	95%	Advertising Fund	\$0	
			XYZ	65%	Misc. Fees	\$0	
					Technology Fee	\$0	
Revenues							
	Units	Avg. Sale	Avg. Comm %	GCI	Royalty	Net GCI	Agent Gross Revenue
Agent Source Units							
	Split	65%					
Company Nat	12	\$200,000	2.78%	\$66,720	94%	\$62,717	\$40,766
XYZ	12	\$200,000	2.78%	\$66,720	94%	\$62,717	\$40,766
	Split	65%					
Firm Source Units							
	Split	60%	Ref. Fee %	35%			
Company Nat	0	\$228,000	3.00%	\$0	94%	\$0	\$0
XYZ	6.5	\$384,000	3.00%	\$39,079	94%	\$36,735	\$23,878
	Split	65%					
Administrative Fee				Units	Paid to Company	Paid to Agent	
Company Nat	\$250			9	\$250	\$0	\$0
XYZ	\$395					\$136	\$1,222

Administrative Support Policy	Time per Transaction In Minutes
Process all listings, buyer agency agreements, and retainers if applicable.	30
Enter listing information into system, update as necessary when listing terms are amended.	30
Verify that amended listing information is kept current in all electronic media.	90
Enter Buyer Broker Agreements and Listings in to the Transaction Data Base	60
Upload agent-provided or MLS house photos into system and all other electronic media.	60
Create company-paid virtual tour	180
Create, proof and/or submit print ads.	60
Negotiate contract rates in order to pass through bulk purchase savings to agents. Coordinate payment to vendors and complete monthly accounts receivable statements to agents.	15
Create Agent Billing account, bill monthly to achieve bulk purchase and tax accounting for agent.	15
Create and print 25 four color brochures using agent specific template for each new listing	240
Provide 25 four color "Financing Alternatives" brochures for each listing in cooperation with the Branch Office LO / LO's.	120
Order yard sign installation. Negotiate bulk rate installation prices with vendors and pass through savings to agents. Coordinate payment to vendors and complete monthly accounts receivable statements to agents.	10
Review listing checklist making sure that all necessary forms are included and executed.	15
Process completed home warranty application or waiver for seller.	30
Prepare and mail welcome letter to client with broker signed listing agreement. Prepare and mail second	

Commission Concepts



- For more information on this new tool, please contact us at REAL *Trends*

Either call 303.741.1000 or email

Steve Murray: smurray@realtrends.com

Nicolai Kolding: nkolding@realtrends.com