**Section 1450.745 Business Entity for Direct Payment of Compensation**

a) Every sponsored licensee who forms a business entity as set forth in Section 10-20(e) of the Act, for the purpose of receiving the sponsored licensee's compensation, shall submit to the Licensing Section of the Division authorization to conduct or transact business in Illinois issued by the SOS. For purposes of this Section, a "business entity" shall:

1) Mean a corporation whose shares are solely owned by the licensee or a single member limited liability company when the single member is the licensee; or

2) Be a business entity owned together by the licensee and the licensee's spouse, provided that the licensee and the licensee's spouse are both sponsored by the same sponsoring broker or the licensee's spouse is not also licensed.

b) The business entity, formed as set forth in Section 10-20(e) of the Act, may only receive compensation earned by the licensees. The corporation may not:

1) Be licensed under the Act;

2) Perform licensed activities;

3) Sponsor, employ or associate itself with other licensees; or

4) Hold itself out to the public, or advertise to the public, under the business entity's legal or assumed name.

c) A business entity, as set forth in Section 10-20(e) of the Act, may receive compensation earned by the licensees arising out of activities unrelated to licensed activities.

(Source: Amended at 45 Ill. Reg. 2851, effective February 23, 2021)