

IBBA

Certified Business Intermediary (CBI) Policy Manual

The International Business Brokers Association grants the designation of CBI to its qualified and deserving members of merit.

ACCORDINGLY:



- The Certified Business Intermediary (CBI) is a prestigious designation that identifies an experienced and dedicated business broker.
- It is awarded to intermediaries who have proven professional excellence through verified transaction experience and education.
- Holding a CBI demonstrates exemplary commitment and experience as a professional business intermediary.
- While the CBI requires much time and effort, the rewards are bountiful and indicate to potential clients that the CBI-holder is an educated, invested and dedicated professional.
- Successful completion of the CBI certification process significantly distinguishes business brokerage intermediaries from their peers in the brokerage community.

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CBI CERTIFICATION PROCESS AND METHOD

STANDARD METHODOLOGY

The CBI Applicant:

- i. is a Member of IBBA in good standing;
- ii. has submitted his or her application to headquarters;
- iii. has committed to fulfill the following requirements within the 3 years preceding the applicant's CBI Certification Application:
 - a. attend at least one IBBA conference (excludes IBBA chapter conferences);
 - b. gain 68 credit hours of IBBA University or M&A Source courses of which 52 of the 68 will be from the Required Credit Hours and 16 from the Elective Credit Hours and where each respective course exam is passed with a score of 70% or higher.

CREDIT HOURS AND COURSES

Required Courses and Credit Hours:

Course #100 (4 credit hours);

Course #101 or #301 (8 credit hours);

Course #104 (8 credit hours);

Course #210 (16 credit hours);

Course #220 (8 credit hours); and

Course #221 (8 credit hours).

Note: The above Required Courses directly relate to activities in which every business broker regardless of geographic location or business type specialization is engaged in and include ethics, financial analysis, pricing/valuation, and legal and tax implications and therefore deemed mandatory to the CBI Certification

Elective Credit Hours:

The remaining 16 credit hours are elective and to the choice of the CBI Candidate. These credit hours are gained through any of the IBBA and M&A Source available courses, and whether online, or in classroom, and subject to said courses availability.

- c. provide evidence as lead seller broker on three (3) going concern business transactions (as stipulated on the Initial Transaction Submittal Form);
- d. pass the CBI Exam:

This ascertains competency in concepts that are deemed to be "general business brokerage" knowledge, and not exclusively those covered within the content contained in the Required Courses. The CBI Candidate, having completed all Required and Elective coursework and having paid any related applicable fee, makes him or her eligible to take the comprehensive CBI examination and is required to pass with a score of 70%, or higher in each section of the exam.

NOTE-1:

Where the candidate has failed any of the IBBA course exams, or the comprehensive CBI examination, said candidate may study independently and retest by applying to headquarters as exams are only offered at scheduled times.

NOTE-2:

CBI candidates do not earn or claim CBI status until all requirements are met and approval of the

candidate's CBI certification by the Credentialing Committee and until certified, his or her status as a candidate is not used, or included in any promotional materials, statement of qualifications, or any other use whatsoever.

FAST TRACK PROGRAM METHODOLOGY

Tenured business brokers earn the CBI designation without completing the Required Education portion. Accordingly, the Candidate:

- i. is an IBBA member in good standing (prior to program submission); and
- ii. has submitted the then-current Fast Track Program Application; and
- iii. paid the application fee; and
- iv. has attended a half-day CBI refresher course;
- v. has taken and passed the 3-hour CBI exam with a score of 70% or higher on each required section;
- vi. has attended at least one IBBA Conference within the 3 years preceding the application;
- vii. has provided ONE of the following:
 - a. documented evidence of 10 years full-time deal making experience (not required to be contiguous); or
 - b. closing documents showing proof of (7) transactions as lead selling broker in the past 3 years; or
 - c. closing documents showing proof of transactions in the past 2 years with a cumulative value of \$1,500,000 or more excluding real-estate.
- viii. has evidence of ONE of the following:
 - a. two IBBA member recommendations, or
 - b. one IBBA or IABI Board Member recommendation; or
 - c. active participation on an IBBA committee for a minimum of one (1) term.
- ix. has provided a complete resume/CV.

NOTE:

The application and ancillary materials are reviewed by the Credentialing Committee. The decision to approve the application is made at the sole discretion of the IBBA.

CBI CERTIFICATION USE AND IDENTIFICATION

Individuals awarded the CBI designation receive a CBI plaque from the IBBA.

While an active CBI, the member is authorized to include the designation by the initials "CBI" or the words "Certified Business Intermediary" on his/her business cards, seals, brochures, letterhead, and other promotional materials.

Applicants for the CBI are specifically denied the right to claim that they are in fact a candidate for the CBI except in providing testimony in a legal proceeding.

Individuals whose active CBI status has lapsed are denied the right to claim that they were a CBI for any period of time, including but not limited to references such as "Past CBI", "Former CBI", "CBI from 2001-2007", etc.

ADDITIONAL RESPONSIBILITIES OF CBIs

- a. Professional activities including, but not limited to, public speaking (excludes panelists), teaching, publication (other than in IBBA or M&A Source publications) other professional designations or degrees, and other coursework are recognized by IBBA as evidence of professional commitment and

standing in the business community. These efforts are expected of the CBI as part of his or her professional practice.

- b. All CBI's understand that notifying IBBA headquarters of activities for CEU credit lies solely with the individual. Appropriate proof of completion of each activity is submitted to IBBA headquarters for credit consideration.

CBI RECERTIFICATION PROCESS AND METHOD

CBI RECERTIFICATION

The CBI Recertification Applicant:

1. is an active member of IBBA in good standing;
2. completes the applicable CBI recertification form;
3. attends at least one IBBA conference (excludes IBBA Chapter Conferences);
4. pays the annual credentialing fee;
5. has earned a minimum of 48 credits hours, 24 of which were garnered in any of the following 3 experience categories:

Educational Experience Category:

- attendance at each additional IBBA conference [15 credits];
- attendance at an IBBA Canada chapter conference [10 credits]; (Credits for attending other IBBA chapter conferences to be determined on a case by case basis);
- Attendance at M&A Source Conferences [15 credits];
- Speaker, workshop instructor, or panel moderator at an IBBA conference (excludes panelists) [5 credits];
- Additional IBBA and M&A Source sponsored educational opportunities successfully completed or taught [course credits / instructors will receive 1.5 x course credits];
- Outside education courses [one credit/course hour, 10 credits maximum];*

* Courses offered by the below listed associations or others if related to the business brokerage profession, and at the discretion of the Credentialing Committee may be accepted. Verification of completion will be determined by course description and completion certificate. The course must be a structured educational "course" (not a workshop or seminar) and must be at least 4 hours in duration.

- American Bar Association
- American Society of Appraisers
- National Association of Certified Valuation Analysts
- American Institute of Certified Public Accountants
- the National Association of Realtors
- International Franchise Association
- NEBB Institute
- Exit Planning Institute
- Lead Subject Matter Expert (LSME) for IBBA University course [4 credits per course hour; 4 hr. course = 16 credits; 8 hr. course = 32 credits];

- Contributing Subject Matter Expert (SME) for IBBA University course [2 credits per course hour; 4 hr. course = 8 credits; 8 hr. course = 16 credits].

IBBA Activities Category:

- Service on the IBBA Board of Governors (10 credits/year);
- IBBA committee participation (5 credits/ year). The committee is one approved by the IBBA Board of Directors or Executive Director. Each term lasts one year, and credits earned through committee participation are added to individual records at the end of the year;
- Officer or director of an IBBA affiliate or chapter (5 credits/year). To receive credits, candidate notifies IBBA Headquarters of his or her service as an officer or director of a State or Regional IBBA Affiliate or Chapter to receive credit;
- Contributor to IBBA publications (5 credits/ year);
- Submitted to headquarters a published article that mentions the IBBA (5 credits/ year).

Business Transaction Category:

- Submitted proof of a completed business transactions as the primary intermediary (10 credits/transaction), not to exceed 3 transactions per renewal period. Candidate submits one CBI Transaction Submittal Form for each transaction and follows directions in providing the necessary documents as proof of the transaction;
- CBIs who own/manage a firm may use a transaction from a broker they manage to count towards their recertification requirements and the broker is also allowed to use the same transaction. If multiple brokers are working as a team on a transaction, then all can list the same transaction for recertification.

CBI-ONLY RECERTIFICATION:

Upkeep of the CBI designation is required. Every CBI completes the recertification requirements within their recertification period. The recertification period is every 3 years commencing on the first day of January following the earning of the designation or recertification thereof.

CBI/M&AMI RECERTIFICATION:

So long as an active membership in the IBBA is maintained, if both a valid CBI and M&AMI designation are held, then the recertification dates for both will become synchronized. A member qualifying for M&AMI recertification will automatically qualify for the CBI's educational, association activity, business transactions and/or conference attendance requirements for recertification during that same period.

RESIGNATION FROM IBBA OR REVOCATION OF MEMBERSHIP OR CBI

The candidacy or CBI designation of any member is terminated by his/her resignation in writing to IBBA headquarters or by revocation by the IBBA's Board of Governors following a recommendation of revocation by the Credentialing Committee upon the occurrence of one or more of the following events:

- a) failing to pay any amounts due the Association;
- b) losing the "good standing" membership in the IBBA;
- c) failing to complete the requirements for the designation within five (5) years of application for admission to the CBI program or the recertification of the designation in the three (3) year re-certification period;
- d) violating the Association's bylaws and/or rules and regulations;
- e) misrepresenting, either intentional or otherwise, of experience, or other qualifications;
- f) any legal charges which, in the opinion of the IBBA Credentialing Committee, reasonably establish the CBI's noncompliance with those standards required by the IBBA to its sole discretion.

FORFEITURE

A CBI whose designation is terminated, immediately returns their CBI certificate and any other similar items (pins, plaques, etc.). In addition, his/her store of stationery and other renderings mentioning the CBI designation are immediately destroyed by the terminated person.

It is specifically understood that the member or former member does not verbally or in print make reference to "former CBI," "past CBI," or the like.

INVALIDATION OF CREDITS

Termination for any reason automatically invalidates all credits toward the designation or recertification that have previously or provisionally been awarded by the CBI Credentialing Committee.

REINSTATEMENT OF CANDIDACY

In the event a member whose candidacy has been terminated applies for reinstatement, his/her credits invalidated by prior termination of candidacy are not automatically restored by reinstatement of candidate status, but instead, are reviewed by the Credentialing Committee with power to restore or decline all or part of such credits.

REINSTATEMENT OF CBI DESIGNATION

Any member whose designation has been terminated / revoked by resignation or for any reason other than one of a disciplinary character may be reinstated in good standing by a majority vote of the Credentialing Committee, provided:

- a) The applicant has remitted a CBI extension request to the Credentialing Committee.
Additionally:

- a. If the applicant was in arrears on the date the membership was terminated, a deposit covering all annual dues or other indebtedness to the Association is included and such made good;
 - b. the applicant for reinstatement is approved by the Committee. The applicable reinstatement fee is paid by the applicant.
- b) The applicant for reinstatement meets all continuing education and recertification requirements under which he/she would have been affected if it had not been for the period of termination; and
 - c) If the application is made within the 12-month period, and is granted by the Credentialing Committee, the applicant may continue to use the CBI designation; and
 - d) If the period of termination exceeds 12 months, the applicant follows the CBI "Reinstatement Guidelines" outlined in the below section; and
 - e) If reinstated by the Credentialing Committee, the CBI's next recertification date is at the end of the third year from the date the Committee made such reinstatement decision.

Additionally:

The following CBI reinstatement guidelines are for any individual who has let his/her CBI lapse past the one-year extension.

Reinstatement Guidelines:

1. If the applicant maintained their IBBA membership:

The applicant has submitted a CBI reinstatement application and paid the associated fee; and

The applicant has a three (3) year window to complete the CBI recertification process. The time period can be from:

 - three (3) years prior to receipt of the reinstatement application; or
 - three (3) years after receipt of the reinstatement application; or
 - any combination of years prior and after, as long as the total number of years is not greater than three (3); and

the applicant does not use the CBI designation until the recertification process is completed.
2. Where the applicant has not maintained the IBBA membership the such re instatement requires the applicant to:
 - a) rejoined the IBBA membership and pay the appropriate dues; and
 - b) submit a CBI reinstatement application and pay the associated fees; and
 - c) complete the CBI recertification process within three (3) years of submitting the CBI reinstatement application; and
 - d) shall not use the CBI designation until the recertification process is completed.
3. The reinstated CBI date will be used when calculating Lifetime CBI requirements.

Refer to *GP-14.4 LIFETIME CBI* in the IBBA Governance Policy Manual.

LIFETIME CBI – RETIRED

Refer to *GP-14.4 LIFETIME CBI (RETIRED)* in the IBBA Governance Policy Manual.

FELLOW OF THE IBBA

Refer to *GP-14.5 FELLOW OF THE IBBA* in the IBBA Governance Policy Manual.