

THE PROFESSIONAL STANDARDS PROCESS

Since its' inception in 1913, the Code of Ethics has been the cornerstone of the NATIONAL ASSOCIATION OF REALTORS® and the many local and state Associations. The Code has withstood the test of time and is the basic instrument responsible for setting forth the obligations of REALTORS®. Association membership is voluntary, but compliance with the Code is a condition of REALTOR® membership. Therefore, members are obligated to submit to or participate in proceedings as required in the Professional Standards process.

Members who participate on either the Grievance or Professional Standards Committees must attend annual training in order to stay current on all aspects of the Code of Ethics and all procedures involving *Complaints* as well as Hearings. They must be knowledgeable and experienced to be considered for service. Proceedings can be time consuming and trying on all parties involved.

The Grievance Committee serves as the “Grand Jury”. *Complaints* are filed with the Professional Standards Administrator and forwarded to a tribunal of the Grievance Committee to determine if a Code violation has possibly occurred, or if a matter is Arbitrable, or perhaps, both. In the event both an *Ethics Complaint* and a *Request for Arbitration* are filed on the same transaction, the *Request for Arbitration* must be heard first. It is important to remember **an *Ethics Complaint* concerns improper, unethical behavior** on the part of the agent; **a *Request for Arbitration* involves a dispute over monies**.

When filing a *Complaint* or *Request*, please be as accurate and provide as many details as possible. Documents which you should provide are:

Listing Agreement	Agreement to Purchase and Sell
Agency Disclosure Form	Property Disclosure Form
Any Addendums	Typed Statement of Fact

All documents to be considered must be submitted in advance. Statements or affidavits from involved parties or witnesses should be provided at this time. If, in an emergency, this is not possible, you must bring ten copies of the document to the Hearing. There is a specific time limit of 180 days for filing *Complaints* and *Requests*. This time sequence normally begins on the day the transaction is finalized.

It is the charge of the Grievance Committee to do preliminary evaluation and assessment of whether Ethical Complaints should be:

1. Dismissed
2. Considered for Arbitration rather than Ethics
3. Scheduled for a Hearing

This Committee does not hold Hearings or make decisions regarding ethical violations. The Grievance Committee, after proper review, may conclude that one or more of the cited Article(s) are improperly included in a Complaint and delete such Article(s), or add an Article as long as the Complainant agrees. If the Complainant does not agree, the Grievance Committee may file its own complaint to be heard simultaneously with the first complaint.

After a *Complaint* has been referred to the Professional Standards Committee for Hearing, the Parties are notified by the Administrator, informed as to the dates, and forwarded the proper forms.

If the *Request* is for Arbitration, the Grievance Committee makes the decision as to:

1. The matter being arbitrable
2. Whether it is mandatory or voluntary arbitration
3. Whether proper Parties are named

They may dismiss the *Request* as being an non-arbitrable matter, too legally complex or involving a too large or too small amount of money; or, they may elect to send the matter forward to be Arbitrated. The Grievance Committee refers its' decision to the Administrator who will provide proper *Notice*, obtain needed *Responses* and coordinate all logistics. At this point the Parties will be given the option to Mediate instead of proceeding directly to a Professional Standard Hearing Panel. Mediation is strictly voluntary.

Anyone, Member or Non-member, may file an *Ethics Complaint*, which is an alleged violation of one or more of the Articles of the Code of Ethics, against a Member. Arbitration is mandatory in the following instances:

1. REALTOR® Principals of different firms
2. REALTORS® in different firms, provided the Principal with whom they are affiliated join in the filing
3. Clients of REALTORS® if the client agrees to be bound by the decision in lieu of litigating the matter

Arbitration is voluntary in the following instances:

1. REALTORS® in the same firm, if each party voluntarily agrees in writing
2. REALTOR® vs. non-REALTOR®, providing
 - (a) the matter is properly arbitrable, and
 - (b) both Parties agree to arbitrate and abide by the decision

All Parties are notified as to the *Decision* of the Grievance Committee. If not dismissed, the matter will be scheduled for a Hearing by a Tribunal of the Professional Standards Committee. The timing varies, depending on the availability of all Parties, but a minimum of 21 days notice will be given. The Administrator will coordinate all scheduling and correspondence and will be glad to answer any questions pertaining to the mechanics of the Hearing. Advice as to the merits of the actual case may not be given.

Once a date has been set for a Hearing, unnecessary continuances cost all Parties and the Board a great deal in the loss of time and money. In an effort to avoid continuances, it is necessary that we ask you to follow a few guidelines.

1. The names of all witnesses and legal counsel must be submitted to the Board at least fifteen (15) days prior to the Hearing.
2. The Hearing may last one hour or six hours, or somewhere in-between. All Parties and witnesses must be prepared to commit to the necessary amount of time. It is not permissible for a Party to leave and return.

After hearing all evidence by both parties and witnesses, the Panel will immediately retire to Executive Session to make their decision. All parties will be notified of the Panel's decision within five (5) business days after it is filed with the Administrator.

A Party to an Ethics Complaint may be able to file a *Petition for Rehearing*, based on new evidence that could not have been discovered with reasonable diligence prior to the time of the original Hearing, or *Appeal*, based only on alleged procedural deficiencies or other lack of procedural due process that may have deprived the Complainant of a fair Hearing, within 20 days. A Party to an Arbitration may be able to file a *Request for Procedural Review* within 20 days based only on alleged procedural deficiencies or lack of due process. The amount of the award is not subject to review or appeal. The Directors' decision is final.