



Code of Ethics Enforcement

It is the policy of the Williamson County Association of REALTORS® to enforce the Code of Ethics of the National Association of REALTORS®, as from time to time amended. Such enforcement includes a review of all complaints or requests for arbitration by the Grievance Committee, or upon referral of a complaint or arbitration request by a member board; or a referral by any other local association in which the association has an inter-board Code of Ethics enforcement agreement.

The Association shall adhere to the policies and procedures outlined in the Code of Ethics and Arbitration Manual (COEARM) of the National Association of REALTORS® as from time to time amended.

Establishment of Arbitration Fees, Administrative Processing Fees and Limited Procedural Review Fees

An arbitration fee of \$500.00 is required of both the complainant and the respondent, including complainants who are members of the public. Such fees shall be retained by the Association to offset the costs associated with conducting arbitration hearings.

A \$500.00 fee for limited procedural review must accompany all requests. If the Board of Directors invalidates any award of the arbitrators, such fee shall be returned to the party(s) requesting such review. Otherwise, the Association shall retain the fee.

Establishment of Ethics Administrative Processing Fees and Appeal Hearing Fees

In addition to any discipline imposed by the Board of Directors, there shall be an administrative processing fee of \$500 assessed against any member found in violation of the Code of Ethics.

Ethics Appeal Hearings

A \$500.00 fee for appeal hearings must accompany all requests. If the Board of Directors invalidates the decision of the hearing panel, such fee shall be returned to the party(s) requesting such review. Otherwise, the Association shall retain the fee.

Grievance Committee

Selection and Appointment of the Grievance Committee



There will be a committee, known as the Grievance Committee, of at least seven association members in good standing. The members of the committee shall be appointed by the President, subject to confirmation by the Board of Directors, for staggered terms of three year appointments. The President shall annually designate the Chair and Vice Chair of the committee.

A minimum of three members must be present at each committee meeting.

Professional Standards Committee

There shall be a Professional Standards Committee of at least 15 Association members in good standing all of whom shall be REALTORS® appointed by the President. Members of the Professional Standards Committee shall be selected to serve on Hearing Panels as required to hear matters of alleged unethical conduct by Association Members or to provide arbitration as requested. The President shall annually designate the Chair and Vice Chair of the committee.

Hearings

The appointed Chair of an Ethics or Arbitration Hearing Panel shall determine the date, time and location of hearings in consultation with Association Staff.

Association Staff shall be present at all hearings. Association Staff shall act as Secretary to the Panel. Specific staff for any hearing shall be determined by the Executive Vice President.

RECORDING THE HEARING

- a) All Hearings shall be recorded by a Court Reporter. Transcripts are available if necessary, for filing an appeal, but must be requested in writing by any party to the hearing.
- b) The cost associated with providing a hearing transcript is the responsibility of the individual(s) making the request.
- c) A copy of the transcript shall be provided to the Association at no cost.
- d) The Association and any party to a hearing may not tape record the hearing.
- e) The official record of the hearing shall be a Court Reporter transcript.



- f) Appeal Hearings and Limited Procedural Review Hearings will not be recorded.

ASSOCIATION LEGAL COUNSEL

- a) Association Legal Counsel shall be present only at those hearings which the Hearing Panel Chair or the Executive Vice President deems necessary or when one of the parties to the hearing has legal representation.
- b) Association Counsel shall be present during the Executive Session if he/she was present during an Ethics or Arbitration Hearing.
- c) Association Counsel shall review all hearing panel decisions prior to dissemination of any decision or award to the parties.
- d) Association Counsel shall be present at appeal or procedural review hearings.

ASSOCIATION EXECUTIVE OFFICER OR STAFF

- a) The Executive Vice President or his/her designee shall be present at all hearings to make sure that required procedures are followed.
- b) The Executive Vice President or his/her designee shall be present at Grievance Committee meetings and at all Ethics and Arbitration Hearings and Appeal Hearings.
- c) The Executive Vice President or his/her designee will not take part in any discussion of the merits of the arbitration or ethics hearing determination or recommended discipline (if any).
- d) The Panel Chair is responsible for drafting the Ethics Hearing Panel's decision and not the Executive Vice President or his/her designee or Association legal counsel.

MATERIALS RELATED TO PROFESSIONAL STANDARDS HEARINGS AND FINAL ETHICS DECISIONS

- a) Staff shall mail copies of all notices of hearing to the parties to the hearing by Registered U.S. Mail, Return Receipt Requested as well as by regular First Class mail.



- b) The complaint and response, if any, shall be provided to Hearing Panel members prior to the hearing. Staff shall mail copies of the complaint, the response, and other related documents to the Hearing or Appeals Panel at least one week prior to the date of the Hearing or Appeal.
- c) In a hearing where there has been a Violation found and Sanction (if any) adopted by the Board of Directors (or Panel of the Directors), only the decision of the hearing panel shall be placed in the members file, or transmitted to the members primary board and any other board in which he/she holds membership.
- d) Copies of any hearing panel decision that find a member in violation of the REALTORS® Code of Ethics and adopted by the Board of Directors shall be maintained in the Member's association membership record file (electronic) indefinitely.
- e) Copies of final ethics decisions adopted by the Board of Directors which hold a member in violation of the Code of Ethics involving the "Public Trust" as used in the National Association of REALTORS® Code of Ethics and Arbitration Manual (COEARM) (demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm) shall be shared with the Tennessee Real Estate Commission.
- f) If the respondent is found in violation of the Code of Ethics a second time within three (3) years, the respondent's name, the fact that the respondent has been found in violation of the Code of Ethics, the Article(s) violated, and the discipline imposed shall be published in the official communication vehicle of the Association.
- g) The name of the firm the violator is (or was) licensed with cannot be published.
- h) Publication must be consistent and uniform. This means that publication may not occur selectively but must be used in each instance where a second violation is determined within three (3) years.
- i) Other than the violator's name, the only additional information that may be published is the Article (or Articles) violated, and the discipline imposed, except that in cases where the violator's name is similar to another member's name, the violator's license number or office address (or both) may also be published.



- j) All material related to the hearing shall be maintained in a confidential, secure file by the Executive Vice President or his/her designee until such time as all appeals have been exhausted. After all appeals have been exhausted all transcripts shall be destroyed. All files over ten years old shall be destroyed in a manner consistent with association policy on record destruction. Only the staff responsible, Association's legal counsel, and the Association's elected Secretary shall have access to such files.

ARBITRATION

- a) In addition to those areas defined as "Mandatory" arbitration, the Association shall provide arbitration in those areas which are defined as "Voluntary" in the Code of Ethics and Arbitration Manual providing all parties agree to be bound by any decision rendered by a Hearing Panel.
- b) There shall be an arbitration-filing fee for each side. The filing fee for Arbitration is five hundred dollars (\$500.00). Each side shall submit a check or money order at the time the request or response is provided to the Association.
- c) If a dispute is resolved prior to the time the Arbitration Hearing Panel goes into Executive Session, the Hearing Panel shall determine the distribution of each party's Association filing fees.
- d) The Association shall require the escrowing of arbitration awards within ten (10) days of the award of the arbitrators being mailed to the parties in the event the non-prevailing party files a request for limited procedural review.
- e) The Association shall consider financial assistance to a prevailing party who seeks to have an arbitration award judicially enforced on a case by case basis. A request for financial assistance must be in writing from the prevailing party.

APPEALS and Limited Procedural Review

- a) A panel of eligible members of the Board of Directors appointed by the President shall hear appeals of determinations by the Grievance Committee and Ethics or Arbitration Panels.
- b) Appeals to the Board of Directors will be heard by a panel of Directors appointed by the President for that purpose. Five (5) Directors shall constitute such an appeal panel, which shall act on behalf of the Board of Directors. The decision of



the appeal shall be final and binding and shall not be subject to further review by the Board of Directors.

- c) The Association shall require a filing fee of five hundred dollars (\$500.00) for any Ethics Appeals and Arbitration Limited Procedural review. (The Directors will not hear any appeal based on the merits of an Arbitration Award).
- d) In an Appeal, the original Hearing Panel Chair shall provide a summarization of the case in lieu of a transcript of the hearing.

Mediation

Background: Effective January 1, 2002 each member board and state association of REALTORS® must provide mediation and arbitration services to members, and clients of members in order for disputes as identified under Article 17 of the REALTOR® Code of Ethics can be resolved.

Parties to an arbitrable matter are not required to submit to mediation, however as stipulated above, a board or association must make mediation available. To that end, the following are the procedures that the Williamson County Association of REALTORS® shall follow in providing mediation as a member service.

The President of the Association shall designate any member who has completed the NAR Mediator/Mediation Training Seminar or any similar mediator/mediation training as a mediator. The mediator will be contacted by the staff of the association, shall be responsible to attempt to resolve conflicts consistent with the obligations imposed by Article 17 of the REALTOR® Code of Ethics between REALTORS®, in different firms. Between REALTORS® who are non principals, joined by the REALTOR® principal and REALTORS® in different firms, and the clients of REALTORS®. In selecting a mediator staff shall notify the mediator nearest the jurisdiction of the parties to the dispute of the names of the parties and their contact information and that they wish to mediate the dispute prior to any arbitration hearing. It will be up to the mediator to contact the parties, and schedule the mediation session. If mediation is unsuccessful the mediator shall notify staff and the arbitration hearing will take place.

Mediation proceedings:

The Executive Vice President or his/her designee will inquire if the complainant and respondent wish to mediate the dispute prior to a hearing by the Association's Professional Standards Committee. If both the complainant and respondent wish to mediate the dispute, a request for mediation form will be sent to each of the parties.

Conduct of Mediation:



Forms must be completed and returned to the Association within twenty (20) days. Upon receipt of all completed forms and fees, the Executive Vice President or his/her designee shall contact the mediator nearest the jurisdiction of the parties to the dispute. The mediator will contact the complainant and respondent directly and establish a mutually convenient time of not less than twenty (20) days and location for the mediation. The mediator will send to both the complainant and respondent a letter confirming date, time, and location of the conference. If the mediation is successful and the dispute is resolved, the original, signed Mediation Resolution Agreement shall be forwarded to the Association by the mediator. The resolution agreement shall be kept in the file with all records pertaining to the case number. Both the complainant and respondent shall be mailed copies of the Resolution Agreement.

If for any reason, any of the parties (or the mediator) is unable to participate on the date agreed, the procedure shall be rescheduled to the earliest mutually acceptable date.

If a mediation conference does not successfully resolve the dispute, or an impasse develops, the mediator may recommend an equitable solution at the conclusion of the mediation procedure. Both parties will have forty-eight (48) hours to accept the suggested solution. Any party that does not respond within seventy-two (72) hours will be considered to have rejected the suggested solution. The mediator shall advise the Association that the conference has been terminated without resolution and send the Association a Termination of Mediation Conference form. The Request for Arbitration will be forwarded to the Association's Professional Standards Committee for a hearing.

ESTABLISHMENT OF ARBITRATION FEES, MEDIATION FEES, ADMINISTRATIVE PROCESSING FEES AND LIMITED PROCEDURAL REVIEW FEES

There is no fee for mediation services.