ARIZONA REALTORS®

PROFESSIONAL STANDARDS POLICIES AND PROCEDURES

January 2023

Adaptations to the NAR
Code of Ethics and Arbitration Manual

for
ARIZONA REALTORS®

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AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

ARIZONA REALTORS®
PROFESSIONAL STANDARDS POLICIES AND PROCEDURES

Adaptations to the NAR

Code of Ethics and Arbitration Manual

For Arizona REALTORS®

The **Code of Ethics and Arbitration Manual** of the NATIONAL ASSOCIATION OF REALTORS® has been made a part of the Bylaws of Arizona REALTORS® and the following adaptations to the **Manual** are included as a part of the Bylaws and incorporated therein.

NAR POLICIES REQUIRING ACTION

NAR POLICY #3. CIRCUMSTANCES UNDER WHICH ARBITRATION IS CONTINGENT UPON THE REALTOR®'S VOLUNTARY PARTICIPATION.

Arizona REALTORS® will provide voluntary arbitration as provided for in Part Ten, Section 44, (4) (5), and (6).

NAR POLICY #25. EXPENSES RELATED TO THE CONDUCT OF HEARINGS BY A MULTI-BOARD OR REGIONAL

Grievance Committee or Professional Standards Committee shall be as established by written agreement between the signatory Boards. The expenses of such hearings shall be borne by the signatory Boards and shall not be supported by fees charged to the parties other than appropriate deposits charged in connection with appeals of ethics decisions or as required with respect to arbitration.

NAR POLICY #33. USE OF PANELS IN PLACE OF COMMITTEES AND BOARDS OF DIRECTORS.

Appeals from Arizona REALTORS® Grievance Committee, ethics appeals and procedural reviews will be considered by panels of Arizona REALTORS® Professional Standards Committee or by a panel of Grievance Committee members that did not previously review the case; final review and consideration of ethics decisions not appealed will be considered by at least five members of Arizona REALTORS® Executive Committee, and any other professional standards matters referencing Boards of Directors will be brought before Arizona REALTORS® Executive Committee. (Refer to part Fourteen, Arizona REALTORS® adaptation, for further details.)(Amended 10/12)

NAR POLICY #45. PUBLISHING THE NAMES OF CODE OF ETHICS VIOLATORS.

The following procedures have been adopted which authorize the publication of the names of ethics violators (who are direct members of Arizona REALTORS®), and members of signatory associations to the Statewide Professional Standards Agreement (SPSA) subject to the following qualifications:

- Publication can only occur after a second violation occurs within three (3) years.
- Publication can only be made in an official communication vehicle of the Association in which the violator holds (held) membership. If the Association (or Associations) in which the violator holds

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

(held) membership does not have an official communication vehicle or for some other reason does not publish the name within ninety (90) days of the decision becoming final, Arizona REALTORS® will publish the name of the local association/board member found in violation of the Code of Ethics by way of electronic communication to the members of the Association (or associations) in which that individual holds (held) membership. Publication of names of direct members of Arizona REALTORS® will be made in the official communication vehicle of Arizona REALTORS®.

- The name of the firm the violator is (or was) licensed with cannot be published.
- 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.
- 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.

  At least one of the violations must be based on conduct which occurs after the adoption of these procedures. (Re-affirmed 06/07)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART ONE – GENERAL PROVISIONS

SECTION 1. DEFINITIONS

Paragraph (b): Insert Arizona into blank line for state.

Paragraph (g):" Directors" shall be interpreted by to mean "Executive Committee of the Association" or "an appointed appeal panel from the Professional Standards Committee" OR "a panel of the Grievance Committee", substituting for "the Board of Directors of the Board" consistent with NAR Policy Statement #33. (Amended 10/12)

ARIZONA REALTORS® POLICY RELATED TO SECTION 1.

"Receipt, delivery, or service of notices" means the date that the notice is transmitted. (Amended 1/16)

SECTION 3. DUTY TO GIVE EVIDENCE

Any party who intends to present evidence at the hearing must provide the Board and all other parties with copies of the evidence at least fifteen (15) days prior to the hearing. (Approved 10/08)

If a party wishes to present visual, audio, or video evidence at the hearing, it is the party's responsibility to provide the equipment necessary to display or play the evidence for the hearing panel.

SECTION 5. WITNESSES

If a member, when called as a witness, refuses or is unable to appear at a scheduled hearing, the witness's failure to appear can be the basis for a charge that Article 14 has been violated if it can be shown that the witness had information or evidence relevant to the issue or issues before the Hearing Panel and that there were no extenuating circumstances that would have made the witness's appearance unduly burdensome. Questions regarding a member's obligation to appear as a witness, including questions of relevancy, shall be determined by the Chair of the Hearing Panel either before the hearing commences, if possible, or at the time of the hearing. If a question of whether a witness is required to appear is raised at a hearing and the Chair rules that the witness must appear, the party seeking to compel the appearance of the witness may request that the hearing be recessed until such time as the witness can be advised of the witness's obligation to appear, and the hearing shall be rescheduled. The burden of demonstrating the relevance of the testimony or evidence rests with the party seeking to compel the witness's appearance. (Revised 11/93)

SECTION 6. CONDUCT OF HEARING.

Parties to Arizona REALTORS® ethics and arbitration hearings will be allowed to record those proceedings (but Arizona REALTORS® transcription will be the official record.)

ARIZONA REALTORS® POLICY RELATED TO SECTION 7.

"Receipt, delivery, or service of notices" means the date that the notice is transmitted. (Amended 1/16)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART TWO – MEMBERSHIP DUTIES AND THEIR ENFORCEMENT

SECTION 13. POWER TO TAKE DISCIPLINARY ACTION

Paragraph (b): Each place a blank appears, insert "Arizona."

Paragraph (e): If Arizona REALTORS® receives notice of a criminal, civil or regulatory complaint related to the same transaction or event after the complaint is forwarded by the Grievance Committee, Arizona REALTORS® shall request a copy of the pending complaint and any related documents, which shall be forwarded to the Hearing Panel Chair, or if a Chair has not been appointed to the Professional Standards Committee Chair or Vice Chair, who in consultation with Association Legal Counsel, will determine whether the complaint will be held in abeyance pending resolution of the criminal, civil or regulatory proceedings. (Amended 11/18)

✍SECTION 14. NATURE OF DISCIPLINE

The Association will impose an administrative processing fee of $300.00 against respondents found in violation of the Code of Ethics or other membership duties. (Amended 10/12)

SECTION 15. SELECTION AND APPOINTMENT OF THE GRIEVANCE COMMITTEE

There will be a standing committee, known as the Grievance Committee, of at least twelve (12) and no more than twenty-four (24) REALTORS® or REALTOR-ASSOCIATE®s, in good standing. The members of the Committee shall be appointed to staggered three-year terms by the Chair of the Risk Management Committee and the Grievance Committee Chair, with approval of the President. The Chair of the Risk Management Committee shall annually designate the Chair and Vice Chair of the Committee, who each shall have served a minimum of two years on the committee." The terms of committee members shall be from January 31 of each year through January 30 of the following year. (Amended 1/16)

In the event a member of the Grievance Committee accumulates two consecutive unexcused meeting absences, the member may be dismissed from the Grievance Committee by the Grievance Committee Chair or Vice Chair with the approval of the Chair of the Risk Management Committee. (Adopted 10/12)

The Grievance Committee may be divided into subcommittees authorized to act on behalf of the full Committee. Subcommittees shall be comprised of five or more members of the Committee. A majority of the members of the subcommittee shall be the quorum necessary for a subcommittee to take action on behalf of the Grievance Committee.

‘‘The Grievance Committee is authorized to take action telephonically, or electronically, if deemed appropriate by the Chair. Such actions can include, but are not limited to determination of arbitration requests or ethics complaints. Committee members involved in such actions may request by majority vote that any item be referred to the full Committee for their action at the next meeting.” (Adopted 10/06)

SECTION 16. SELECTION AND APPOINTMENT OF THE PROFESSIONAL STANDARDS COMMITTEE

This section shall be altered to read:
"There shall be a standing committee comprised of a pool of REALTORS® as referenced in the Statewide Professional Standards Agreement. Members shall be appointed to staggered three (3) year terms by the

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Chair of the Risk Management Committee and the Professional Standards Committee Chair and approval of the President. The Chair of the Risk Management Committee shall annually designate the Chair and Vice Chair of the Committee, who shall each have served a minimum of two (2) years on the committee." The terms of committee members shall be from January 31 of each year through January 30 of the following year. (Revised 10/13) (Amended 1/16)

In the event a member of the Professional Standards Committee fails to appear at a scheduled hearing without sufficient cause or has not served on a hearing panel for twelve (12) consecutive months, the member may be dismissed from the Professional Standards Committee by the Professional Standards Committee Chair or Vice Chair with the approval of the Risk Management Committee Chair. (Adopted 10/12)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART THREE – THE GRIEVANCE COMMITTEE

✍SECTION 17. AUTHORITY

There will be a standing committee, known as the Grievance Committee, of at least **twelve (12) and no more than twenty-four (24) REALTORS®** or REALTOR-ASSOCIATE®s, in good standing. (Revised 1/16)

SECTION 19. REVIEW OF ETHICS COMPLAINT

Paragraph C. This section shall be amended to read:

The complaint and any attachments to the complaint cannot be revised, modified, or supplemented. The complainant may, however, explain in writing why the complainant disagrees with the Grievance Committee's action. The appeal may be considered by hearing panels of Arizona REALTORS® Professional Standards Committee or by a panel of Grievance Committee members that did not previously review the case. The appeal panel shall consider only the information and documents considered by the Grievance Committee, together with the complainant's rationale for challenging the dismissal and render its decision, which shall be final. The parties are not present at the meeting at which the appeal is considered. (Amended 10/12)

The appeal may be considered via teleconference or video conference provided that the appeal panel receives the appeal information and documents prior to the appeal hearing. (Revised 01/10). Arizona REALTORS® Grievance Committee will not recommend to the Executive Committee that a dismissed ethics complaint be forwarded to a regulatory body. (Revised 01/10) (Amended 1/17).

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART FOUR – THE ETHICS HEARING

SECTION 20. INITIATING AN ETHICS HEARING

- **Paragraph (a):** A response from the respondent will not be solicited at the Grievance Committee. If it is, the respondent will be requested to respond within 20 days of the transmittal of the request. (Amended 10/12)

  Paragraph (e):

  In any instance where a complaint is transferred to another Board, the complainant shall be so advised. (Adopted 05/88).

- **Paragraph (f - q):** The Association will offer expedited hearings as outlined in these paragraphs.

SECTION 21. ETHICS HEARING

- **Paragraph (e):** Hearing panels will be provided copies of ethics complaints and arbitration request at the time the hearing notice and related materials are sent to the parties to the hearing (a minimum of 10 days prior to the hearing). (Amended 01/16)

SECTION 22. DECISION OF THE HEARING PANEL

- Ethics decisions presented to the Executive Committee for ratification will include the names of the parties.

SECTION 23. ACTION OF THE BOARD OF DIRECTORS

- **Paragraph (c):** Insert "$500.00" in the blank where stated: An appeal must be accompanied by a deposit with the President in the sum of $_____ (not to exceed $500.00). (Revised 03/06).

- **Paragraph(e):** At the hearing before the Directors, the Chairperson of the Hearing Panel shall present a transcript of the case or, if there is no transcript, shall summarize the case. Either party shall be entitled to offer corrections to the summary. Either party may present to the Directors reasons why the Hearing Panel's recommendation should be followed or not, at the hearing or by submission of a written statement at least fifteen (15) days prior to the hearing, (Approved 10/08) but no new evidence shall be received (except such new evidence as may bear upon a claim of deprivation of due process), and the appeal shall be determined on the transcript or summary. (Amended 11/93)(Amended 03/15)

- **Paragraph (n):** See NAR Policy #45. Arizona REALTORS® adopted the option to publish the name of Code of Ethics violators after a second violation occurred within three (3) years. (Amended 01/16)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART FIVE – CONDUCT OF AN ETHICS HEARING

POSTPONEMENT OF HEARING: Permission can be given by the hearing panel chair or by the Chair and Vice Chair of the Professional Standards Committee. (Adopted 10/12)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

STATEMENTS OF PROFESSIONAL STANDARDS POLICY
APPLICABLE TO ARBITRATION PROCEEDINGS

1. Article 17, Code of Ethics

"In the event of contractual disputes or specific non-contractual disputes as defined in Standards of Practice 17-4 between REALTORS® (Principals) associated with different firms, arising out of their relationship as REALTORS®, the REALTORS® shall mediate the dispute. If the dispute is not resolved through mediation, REALTORS® shall submit the dispute to arbitration in accordance with the policies of the Board rather than litigate the matter." (Adopted 10/12)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART SEVEN – GENERAL PROVISIONS RELATING TO ARBITRATION

SECTION 26. DEFINITIONS RELATING TO ARBITRATION

Paragraph (b): Insert Arizona into blank line for state.

Paragraph (g):‘‘ Directors” shall be interpreted by to mean ‘‘Executive Committee of the Association” or ‘‘an appointed appeal panel from the Professional Standards Committee”, substituting for ‘‘the Board of Directors of the Board,” consistent with NAR Policy Statement #33.

ARIZONA REALTORS® POLICY RELATED TO SECTION 26.

‘‘Receipt, delivery, or service of notices” means the date that the notice is transmitted. (Amended 1/16)

SECTION 27. QUALIFICATION FOR TRIBUNAL

Paragraph (f): The time a party has to file a request to challenge a member of a tribunal is 10 days after the notice has been transmitted.” Five (5) calendar days for delivery will not be applied (Amended 1/17).

SECTION 28. DUTY TO GIVE EVIDENCE

Any party who intends to present evidence at the hearing must provide the Board and all other parties with copies of the evidence at least fifteen (15) days prior to the hearing. (Approved 10/08).

SECTION 31. CONDUCT OF HEARING

Parties to Arizona REALTORS® ethics and arbitration hearings will be allowed to tape record those proceedings (but Arizona REALTORS® transcription will be the official record.)

SECTION 32. NOTICES

‘‘Receipt, delivery, or service of notices” means the date that the notice is transmitted. (Amended 01/16)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART EIGHT – MEMBERSHIP DUTIES AND ENFORCEMENT

SECTION 38. SELECTION AND APPOINTMENT OF THE GRIEVANCE COMMITTEE

This section shall be altered to read:
"There shall be a standing committee comprised of a pool of REALTORS® as referenced in the Statewide Professional Standards Agreement. Members shall be appointed to staggered three (3) year terms by the Chair of the Risk Management Committee and the Professional Standards Committee Chair and approval of the President. The Chair of the Risk Management Committee shall annually designate the Chair and Vice Chair of the Committee, who shall each have served a minimum of two (2) years on the committee." The terms of committee members shall be from January 31 of each year through January 30 of the following year. (Revised 10/13) (Amended 01/16)

In the event a member of the Professional Standards Committee fails to appear at a scheduled hearing without sufficient cause or has not served on a hearing panel for twelve (12) consecutive months, the member may be dismissed from the Professional Standards Committee by the Professional Standards Committee Chair or Vice Chair with the approval of the Risk Management Committee Chair. (Adopted 10/12)

The Grievance Committee may be divided into subcommittees authorized to act on behalf of the full Committee. Subcommittees shall be comprised of five or more members of the Committee. A majority of the members of the subcommittee shall be the quorum necessary for a subcommittee to take action on behalf of the Grievance Committee.

"The Grievance Committee is authorized to take action telephonically, or electronically, if deemed appropriate by the Chair. Such actions can include, but are not limited to determination of arbitration requests or ethics complaints. Committee members involved in such actions may request by majority vote that any item be referred to the full Committee for their action at the next meeting." (Adopted 10/06)

SECTION 39. SELECTION AND APPOINTMENT OF THE PROFESSIONAL STANDARDS COMMITTEE

This section shall be altered to read:
The Professional Standards Committee shall be comprised of a pool of REALTORS® referenced in the Statewide Professional Standards Agreement Members shall be appointed to serve staggered three (3) year terms by the Chair of the Risk Management Committee and the Professional Standards Committee Chair and approval of the President. The Chair of the Risk Management Committee shall annually designate the Chair and Vice Chair of the Committee, who each should have served a minimum of two (2) years on the committee before serving in those capacities. Committee training requirements shall be established in Arizona REALTORS® policies and in the Statewide Professional Standards Agreement. The terms of committee members shall be from January 31 of each year through January 30 of the following year. (Revised 06/07) (Amended 1/16)

In the event a member of the Professional Standards Committee fails to appear at a scheduled hearing without sufficient cause or has not served on a hearing panel for twelve (12) consecutive months, the member may be dismissed from the Professional Standards Committee by the Professional Standards Committee Chair or Vice Chair with the approval of the Risk Management Committee Chair. (Adopted 10/12)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART NINE – THE GRIEVANCE COMMITTEE

SECTION 40. AUTHORITY

There will be a standing committee, known as the Grievance Committee, of at least **twelve (12) and no more than twenty-four (24) REALTORS®** or REALTOR-ASSOCIATE®s, in good standing. (Amended 01/16)

SECTION 42. GRIEVANCE COMMITTEE'S REVIEW AND ANALYSIS OF A REQUEST FOR ARBITRATION

Paragraph (c): This section shall be amended to read:
The appeal may be considered by a hearing panel of the Professional Standards Committee or by a Panel of the Grievance Committee members that did not previously review the case. The appeal panel shall consider only the information and documents considered by the Grievance Committee, together with the appealing party's rationale for challenging the dismissal and render its decision, which shall be final. The parties are not present at the meeting at which the appeal is considered. (Amended 10/12)

In the event a request for arbitration is dismissed, any deposit submitted by the complainant shall be returned to the complainant. (Amended 10/12)

The appeal may be considered via teleconference or video conference provided that the appeal panel receives the appeal information and documents prior to the appeal hearing. (Revised 01/10)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART TEN – ARBITRATION OF DISPUTES

SECTION 43. ABITRABLE ISSUES AND APPROPRIATE PARTIES

REALTORS® (Principals) and their firms are required to mediate otherwise arbitrable disputes and be bound by any resulting agreement pursuant to Arizona REALTORS® Bylaws. (Adopted 10/12)

SECTION 44. DUTY AND PRIVILEGE TO ARBITRATE

Paragraph (a). Arizona REALTORS® will require mediation of all mandatory arbitrable disputes pursuant to Section 44. (Adopted 10/12)

Paragraph (b). Arizona REALTORS® will offer voluntary arbitration.

SECTION 46. DUTY TO ARBITRATE BEFORE THE STATE ASSOCIATION

Insert "Arizona" wherever there is a blank space.

SECTION 47. MANNER OF INVOKING ARBITRATION

Paragraph (a): Insert "$500.00, or, in matters referred from local associations, the amount of the arbitration fee established by that local association, whichever is less" in the blank (denoting the amount of deposit required to arbitrate at the State Association).

Paragraph (b): Insert "45" in the first blank (denoting the number of days in which the Professional Standards Administrator shall refer the request to the Grievance Committee for its deliberation). Insert "15" in the second blank (denoting the number of days in which the Respondent is requested to reply to a request from the Grievance Committee). The respondent is directed to complete the written response and return the deposit amount within fifteen (15) days of transmittal of the request. (Amended 01/21)

Paragraph (c): Insert "$500.00, or, in matters referred from local associations, the amount of the arbitration fee established by that local association, whichever is less" in the blank (denoting the amount of deposit required).

SECTION 48. SUBMISSION TO ARBITRATION

Paragraph (a): Insert "$500, or, in matters referred from local associations, the amount of the arbitration fee established by that local association, whichever is less" in the blank (denoting the amount of deposit required).

Paragraph (b): OPTION #3 shall govern the Association's arbitration procedures.

SECTION 51. ARBITRATION HEARING

Paragraph (b): Hearing panels will be provided copies of ethics complaints and arbitration request at the time the hearing notice and related materials are sent to the parties to the hearing (a minimum of 10 days prior to the hearing).

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

SECTION 53. THE AWARD

Paragraph (b): Add to the end of the following:
"Note, however, that filing an appeal with the Board in no way stays the running of any time requirement for seeking judicial review of the decision." (Per legal counsel, Bylaws change 06/90).

Change the time a non-prevailing party has to pay or escrow the award from ten (10) days to twenty (20) days.

(Approved 06/08) Arizona REALTORS® will follow Paragraphs (c) - (f) concerning Escrowing Arbitration Awards [Arizona REALTORS® will require the non-prevailing parties in Arizona REALTORS® arbitrations to pay the award to the prevailing party or deposit it in escrow at Arizona REALTORS® within twenty (20) days following receipt of the notice of the award.] (Adopted 05/94 – Amended 10/13) with the following change:

Paragraph (c): Add the following:

Details surrounding any disciplinary proceedings addressing an alleged violation of a membership duty for a non-prevailing party to comply with Section 53 (c) shall be confidential and not released to anyone other than the party(ies) charged with breaching the duty and Arizona REALTORS® Executive Committee members involved in such a proceeding, staff, and counsel, as appropriate, unless the resulting discipline results in suspension or expulsion from membership, at which time it would be permissible to publish to all members of the sanctioned member's association, pursuant to Section 23 (j) of the Code of Ethics and Arbitration Manual. (Approved 07/07)

Subsection (d) first paragraph: Wherever it says "fifteen (15) days" in the paragraph, it shall be replaced with "30 days."

Subsection (d) second paragraph: Change as follows: If the non-prevailing party does not request the Board to conduct a procedural review of the arbitration hearing process during the twenty (20) day period following service of the award, then written notification that a legal challenge has been instituted must be received within thirty (30) days following service of the award. Failure to provide written notification that a suit challenging the validity of the award has been filed within thirty (30) days following service of the award will result in the award being paid from the Board's escrow to the prevailing party. (Revised 07/07)

SECTION 54. COSTS OF ARBITRATION

To help defray costs of the Arbitration, the deposit of the non-prevailing party shall be retained by the Association, unless otherwise directed by the Hearing Panel. The deposit of the prevailing party shall be returned. If there is a split award, the parties may receive a portion of their deposits back as determined by the arbitrators. (See also Part Fourteen. State Association, paragraph 6. Expenses of the Hearing Conducted by the Association.)

SECTION 55. REQUEST FOR PROCEDURAL REVIEW BY DIRECTORS

Paragraph (a): Insert $500.00 into the blank line.

Paragraph (c): Arizona REALTORS® shall not accept or consider any request for consideration of the decision of the panel (or Executive Committee). (Approved 10/08)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

- **SECTION 56. ENFORCEMENT**

  Insert "Arizona" wherever there is a blank space.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

APPENDIX VI TO PART TEN
MEDIATION AS A SERVICE TO MEMBER BOARDS

Arizona REALTORS® requires REALTORS® (principals) to mediate otherwise arbitrable disputes pursuant to Article 17 or as a result of a dispute between a REALTOR® and a client resulting from a buyer broker employment agreement or a listing agreement. (Approved 10/06) (Amended 01/16)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART TWELVE – CONDUCT OF AN ARBITRATION HEARING

Parties to Arizona REALTORS® arbitration hearings will be allowed to tape record those proceedings (but Arizona REALTORS® transcription will be the official record).

Postponement of hearing: Permission can be given by the hearing panel Chair or if a Chair has not been appointed to the case then permission can be given by the Professional Standards Committee Chair or Vice Chair. (Amended 10/12)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART SIX AND PART THIRTEEN

SPECIMEN FORMS

Forms E-3, E-5 and E-8: will provide for the statement authorizing an administrative fee up to $500 to be assessed to those found in violation of the Code. Arizona REALTORS® fee will be $300.00 (Revised 06/07).

Forms E-4 and A-5: Arizona REALTORS® Grievance Committee will not generally request information from the respondents in ethics or arbitration matters. If determined by Arizona REALTORS® Grievance Committee that information is necessary to make a determination, Arizona REALTORS® will require respondents who are requested to submit information to the Grievance Committee to submit such information within 20 days of the notice.

Forms E-2, E-4, A-3: Additional copies will not be required.

Forms E-2, E-4, A-3 and A-5: Will be revised to change response due from respondent from 20 days to 15 days. (08/03)

Forms E-6, A-7: . . . challenges must be filed with the Board within 10 days from transmittal of the list.

Forms A-1, A-2, A-4: The deposit is $500.00 (or, in matters referred from local associations, the amount of the arbitration fee established by that local association, whichever is less).

Form A-1: Add #11. Please attach documentation that demonstrates the transaction involved in the dispute has closed escrow or that a lease has been executed.

Documentation is attached: ___ Yes ___ No

Forms E-8, A-9: Parties must give 15 days prior notice of counsel to be present at the hearing and 15 days prior notice of the witnesses attending the hearing. (Revised 01/98)

Forms E-9, A-10: Parties to Arizona REALTORS® ethics and arbitration hearings will be allowed to tape record those proceedings, but Arizona REALTORS® transcription will be the official record.

Form E-11: Parties shall have 20 days in which to file requests for appeals from the date it was transmitted.

Form E-13: The filing fee for ethics appeals is $500.00.

Forms E-14, A-14: Parties must give 15 days prior notice of counsel attending the hearing and 10 days in which to challenge panel members. (Revised 01/98)

Form A-12: This form will reflect Arizona REALTORS'® adoption of escrowing arbitration awards.

The deposits of the parties shall be used to cover the costs of arbitration or shall go into the general operating funds of THE ASSOCIATION OF REALTORS®. In the event the award of the arbitrators is in an amount other than that requested by any of the parties, the disposition of the deposits shall be directed by the arbitrators as follows: _____. (Revised 01/10)

Form A-13: Filing fee for Procedural Review (Arbitration) will be $500.00. (Revised 2006)

Chair's Procedural Guide: Conduct of an Arbitration Hearing shall be amended to include the definition of procuring cause as written in *Black's Law dictionary* and related text. (Approved in 1997 and ratified in 2002) Optional introductory language is added for chairs to more informally explain the process to the parties.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Revise Ethics and Arbitration Chair Guides:

- Delete "at any time" verbiage and replace with language stating "all persons present at the at the hearing are advised that *questions by members of the panel are subject to the Chair's approval*."

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PART FOURTEEN OF THE NAR
CODE OF ETHICS AND ARBITRATION MANUAL

AS ADAPTED BY
ARIZONA REALTORS®

PART FOURTEEN – STATE ASSOCIATION PROFESSIONAL STANDARDS COMMITTEE

Authority and Requirement: The obligation of the State Association concerning the Code of Ethics of the National Association is established in Article IV, Code of Ethics, Sections 1 and 2, Bylaws, National Association:

Section 1. Each Member Board shall adopt the Code of Ethics of the National Association as a part of its governing regulations, for violation of which disciplinary action may be taken.

Section 2. Any Member Board which shall neglect or refuse to maintain and enforce the Code of Ethics with respect to the business activities of its members may, after due notice and opportunity for hearing, be expelled by the Board of Directors from membership in the National Association.

Jurisdiction of State Association:

The following procedures apply to matters which concern members of local associations that are not Signatories to the Statewide Professional Standards Agreement. Signatories to that Agreement have delegated the enforcement of the Code of Ethics, the disciplining of members and the arbitration of disputes and procedures incident thereto to Arizona REALTORS®. All other matters will be governed by the following:

1. A local Board, prior to referring an ethics complaint or arbitration request for review to the State Association, should exhaust all efforts to impanel an impartial panel to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable members of the Board on an ad hoc basis to serve on either a Hearing Panel or on behalf of the Board of Directors. If, because of notoriety, etc., the Board cannot impanel an impartial tribunal, the Board may refer the matter to the State Association, and the State Association may delegate to another Board or a regional enforcement facility, the authority to hear the case on behalf of the State Association. No Board or regional enforcement facility, however, may be required to accept this delegation of authority. If no other entity is amenable to conducting the review, the State Association shall be responsible for conducting the hearing. (Adopted 11/93)

2. Allegations of ethical violations and contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® and between REALTORS® and their customers and clients may be submitted to an ethics or arbitration panel at the Arizona Association level under the following circumstances:

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

(a) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® who is directly a member of the State Association and not a member of any local Board. These complaints shall be referred directly to the Grievance Committee for its determination.

(b) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® in the instance in which the local Board, because of size or other valid reason, determines that it cannot provide a due process hearing of the matter and petitions the Association to conduct a hearing. The Grievance Committee will decide whether jurisdiction is appropriate prior to determining its disposition.

(c) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are not members of the same Board where the matter has been referred to the Association by the Respondent's local Board in instances when the complainant files the arbitration request directly with the Respondent's Board. The Grievance Committee will decide whether jurisdiction is appropriate prior to determining its disposition.

If a complainant invokes interboard arbitration by filing an arbitration request at his Board of REALTORS® against a respondent who is not a member of that Board or who does not gain access to that Board's MLS through that Board, interboard arbitration will be held consistent with Part Eleven of the National Association's Code of Ethics and Arbitration Manual. Arizona REALTORS®may retain jurisdiction of an interboard arbitration only if both Boards refer the matter to Arizona REALTORS®.

(d) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of the Association and who are not members of any Board. These disputes will be referred directly to the Grievance Committee for its determination.

(e) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between a REALTOR® who does not hold membership in any Board, but is directly a member of the Association, and a REALTOR® who is a member of a Board. These disputes will be referred directly to the Grievance Committee for its determination.

(f) Contractual disputes between REALTOR® Members of the same Board where the Board with good and sufficient reason is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve the local Board of its primary responsibility to resolve differences arising between members of the same Board. This section recognizes that in some Boards with limited membership, usual arbitration procedures may be impossible). The Grievance Committee will decide whether jurisdiction is appropriate prior to determining its disposition.

(g) Contractual disputes between a customer or a client and a REALTOR® where the Board with good and sufficient reason is unable to arbitrate the dispute or the REALTOR® is a direct member of the State Association.

Ethics and Arbitration Proceedings: Professional Standards hearings and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS'® as from time to time amended, which by this reference is made a part of these Bylaws. These provisions contained in **PART FOURTEEN** are designed to meet the recommendations

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

by the NATIONAL ASSOCIATION OF REALTORS® to expand the provisions of the Code of Ethics and Arbitration Manual as adopted to include more detailed procedures for handling interboard arbitration of business disputes as defined by Article 17 of the Code of Ethics.

The following procedures apply to matters which concern members of local associations that are not Signatories to the Statewide Professional Standards Agreement. Signatories to that Agreement have delegated the enforcement of the Code of Ethics, the disciplining of members and the arbitration of disputes and procedures incident thereto to Arizona REALTORS®. All other matters will be governed by the following:

In adapting the Code of Ethics and Arbitration Manual, the following additional procedures should be followed in the cases of ethics complaints and arbitrations of disputes handled by Arizona REALTORS®:

1. **GEOGRAPHIC DISTRIBUTION OF PROFESSIONAL STANDARDS PANEL MEMBERS:** Inasmuch as disputes may arise between Board members from different Boards located distant from each other, members of the Association's Professional Standards Committee should be selected from all areas of the state. According to Article XIII, Section 3 of the Association's Bylaws, all hearings shall be conducted at the Association's offices, unless unusual circumstances exist where the office is unavailable or, unless the hearing concerns members of associations signatory to the Statewide Professional Standards Agreement, which shall govern the location of the hearings.

2. **FURTHER EXTENSION OF AVAILABLE PROFESSIONAL STANDARDS COMMITTEE MEMBERS:** Members of the State Association Professional Standards Committee may be empowered, upon direction from the President of the State Association, to appoint additional members of the Committee from a given district or region of the state to have all the powers of regular members of the Professional Standards Committee and to conduct a hearing as required in that particular district or region of the state.

3. **DUTIES OF THE COMMITTEE:** In addition to the descriptions of the duties of the Grievance and Professional Standards Committees defined in the entire Code of Ethics and Arbitration Manual, the Bylaws of the Association, specifically Article X, Section 6, refer to duties and structure of the Professional Standards committee and Article X, Section 5, refers to the duties and structure of the Grievance Committee. Job descriptions or plans of action further delineating the duties of the Committees may be assigned by the Association from time to time.

4. **COMPLAINTS OF ALLEGED ETHICAL VIOLATIONS OR REQUESTS FOR ARBITRATION:** Jurisdiction of the State Association, Item #2, delineates the situations that may result in ethics complaints or arbitration requests being referred to Arizona REALTORS®.

   In the cases of ethics or arbitration matters where a Board feels it is unable to provide a due process hearing, a Request for Association Intervention form should be completed and signed by the Board President explaining why the Board feels it cannot handle the matter.

   In the case of an arbitration between members or MLS-Only Participants of different Boards, the request may first be filed at the Respondent's Board. In the event that the Respondent's Board requests that the dispute be handled by the Association, the Respondent's Board should forward the request and any materials surrounding the dispute with a cover letter from the Board President referring the dispute to Arizona REALTORS®. Arizona REALTORS® will then obtain any necessary deposits, agreements or any other materials deemed necessary to process the request.

   NOTE: Boards are reminded that they are encouraged to process arbitrations between members of different Boards at the Respondent's Board. However, should either of the parties specifically requests the

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Respondent's Board to refer the arbitration to Arizona REALTORS®, the Respondent's Board is encouraged to honor the request.

Arizona REALTORS® will take into consideration on a case-by-case basis the reason for the referral and the frequency of requests for intervention from a particular association in order to assess the association's capability to enforce the Code of Ethics.

If a complainant invokes interboard arbitration by filing an arbitration request at his Board of REALTORS® against a respondent who is not a member of that Board or who does not gain access to that Board's MLS through that Board, interboard arbitration will be held consistent with Part Eleven of the National Association's Code of Ethics and Arbitration Manual. Arizona REALTORS® may retain jurisdiction of an interboard arbitration only if both Boards refer the matter to Arizona REALTORS®.

All other ethics complaints or disputes concerning members of the Association who are not members of a local association may be referred to Arizona REALTORS® directly for processing according to the Code of Ethics and Arbitration Manual.

Arizona REALTORS® may delegate a matter referred to it to another local association or region to handle. See NAR Policy Statement #18 for further details about referrals to the State Association.

5. **METHOD OF DETERMINING PROPRIETY OF A COMPLAINT OF ALLEGED ETHICAL VIOLATION OR REQUEST FOR ARBITRATION:** Once referred to the Association's Grievance Committee, all ethics complaints or arbitration requests will be processed by the Committee according to appropriate procedures defined elsewhere in the Code of Ethics and Arbitration Manual. The Grievance Committee shall be the Committee to examine a complaint of alleged unethical conduct or request for arbitration to determine if it is properly presented by the complainant and has validity and substance to warrant a hearing before the Association's Professional Standards Committee. The Committee may assign a reviewer(s), if deemed necessary, to evaluate the complaint or request, and if so, should consider the member's location to make any review process more convenient.

   The Grievance Committee's work is not that of a Hearing Panel of the Professional Standards Committee, but has the special function of determining the propriety of the complaint or request and the propriety of conducting a hearing.

6. **EXPENSES OF THE HEARING CONDUCTED BY THE ASSOCIATION:** The conduct of hearings by the Association can be less convenient than a local Board hearing. It involves distance, time and costs which can be significantly greater. Consequently, deposits of both parties to arbitration hearings shall be $500.00, or, in matters referred from local associations, the amount of the arbitration fee established by that local association, whichever is less.

   To help defray costs of the Arbitration, the deposit of the non-prevailing party shall be retained by the Association, unless otherwise directed by the Hearing Panel. The deposit of the prevailing party shall be returned. If there is a split award, the parties may receive a portion of their deposits back as determined by the arbitrators.

7. **COMPOSITION OF HEARING PANELS AND APPELLATE OR REVIEW PANELS:** Members of ethics or arbitration hearing panels shall be selected from the Professional Standards Committee of the Association (unless, according to **PART TEN,** Section 45(b), the President appoints a special panel to hear an arbitration). The hearing panels shall be comprised of at least three (3) members.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

- In the case of appeals of Grievance Committee dismissals of ethics complaints or arbitration requests, a panel of at least three (3) Professional Standards Committee members shall be selected to hear the appeal.
- In the case of appeals of ethics hearing decisions or procedural reviews of arbitration hearings, a panel of at least five (5) Professional Standards Committee members not involved in the original complaint shall hear the appeal or procedural review. There shall be no further appeal to the Executive Committee or the Board of Directors in such cases.
- In the case of appeals of ethics hearing decisions or procedural reviews of arbitration hearings referred to Arizona REALTORS® by a local Board or Association, a hearing panel of at least five (5) members of Arizona REALTORS® Professional Standards Committee shall serve as the appeal body.
- At least five members of the Association's Executive Committee shall be the body to adopt ethics hearing decisions recommended by the Professional Standards Committee.
- Any professional standards matters referenced in the Code of Ethics and Arbitration Manual or Arizona REALTORS® Bylaws and Policies not otherwise assigned shall by handled by Arizona REALTORS® Executive Committee and not Arizona REALTORS® Board of Directors.

8. REFUSALS TO ARBITRATE. In the event a member is alleged to have improperly refused to submit to arbitration, the obligation shall be brought before a panel of five (5) REALTORS® or REALTOR-ASSOCIATE®s appointed by the President.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

ETHICS CITATION PROGRAM

I. Preliminary Procedures / Review by Grievance Committee

A. Information about the Ethics Citation program, including the Citation Schedule, will be provided as part of the information sent to all potential complainants who are considering filing complaints through the Statewide Professional Standards Program.

B. When a Grievance Panel receives a complaint, it shall review the complaint to determine if it includes allegations that are covered by the Citation Schedule. **A Grievance Panel has the right to amend the complaint to add or delete Articles and/or Respondents.**

1. If the Grievance Panel, after reviewing the information presented in the complaint and, taking all information in the complaint as true on its face, determines there is not a potential violation of any Article, the complaint shall be dismissed according to the usual terms of the Code of Ethics and Arbitration Manual, preserving the complainant's right to appeal the dismissal.

2. If the complaint does not allege a violation of an Article covered by the Citation Schedule, the complaint shall be processed according to the usual terms of the Code of Ethics and Arbitration Manual.

3. If the complaint solely alleges the violation of an Article(s) covered by the Citation Schedule, the Grievance Panel will review the information presented in the complaint and, taking all information in the complaint as true on its face, determine if there is a potential violation of the Code of Ethics. If the Grievance Panel finds a potential violation, it shall have the option to issue a citation to the respondent pursuant to Section II, below, which shall include the fine(s) as established by the Citation Schedule.

4. If the complaint jointly alleges the violation of an Article(s) covered by the Citation Schedule **and** the violation of an Article(s) not covered by the Citation Schedule, the Grievance Panel will review the information presented in the complaint and, taking all information in the complaint as true on its face, determine if there is a potential violation of the Code of Ethics.

a. If the Grievance Panel solely finds a potential violation of an Article(s) covered by the Citation Schedule, it shall have the option to issue a citation to the respondent pursuant to Section II, below, but only after expiration of complainant's time for appeal of the dismissed Article(s).

b. If the Grievance Panel solely finds a potential violation of an Article(s) not covered by the Citation Schedule, the complaint shall be processed according to the usual terms of the Code of Ethics and Arbitration Manual.

c. If the Grievance Panel finds a potential violation of **both** an Article(s) covered by the Citation Schedule and an Article(s) not covered by the Citation Schedule, the complaint shall be processed according to the usual terms of the Code of Ethics and Arbitration Manual.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

By way of example:

CITATION SCENARIOS

Complaint is filed and, regardless of the articles cited, there is no potential violation - **Section B(1)**

Complaint does not allege an article covered by the Citation Schedule - **Section B(2)**

Complaint is filed alleging only violations covered by the citation program and is forwarded on one or more articles - **Section B(3)**

Complaint is filed alleging violations of articles covered by the citation program and articles not covered by the citation program, and is forwarded only on articles covered by the citation program - **Section B(4)(a)**

Complaint is filed alleging violations of articles covered by the citation program and articles not covered by the citation program, but is forwarded only on articles not covered by the citation program - **Section B(4)(b)**

Complaint is filed alleging violations of articles covered by the citation program and articles not covered by the citation program, and is forwarded on both types of articles **Section B(4)(c)**

II. Issuance of Citations

A. The citation will be sent to the respondent, as well as to the REALTOR® principal of the respondent's office. Notice of the citation **will not** be sent to the Complainant until after the citation has been satisfied.

1. A copy of the complaint will be sent the respondent.

B. The respondent will have fifteen (15) days from receipt of the citation to provide notice as to whether the respondent will accept the citation and pay the fine, or whether the respondent requests a full hearing on the complaint.

1. If the respondent does not reply within fifteen (15) days of receiving the citation, the hearing process will automatically be started.

2. Acceptance of the citation by the respondent, including education for the first offense, shall be deemed to be a final resolution of the complaint, which shall not be appealable or subject to any further review.

3. If the respondent accepts the citation, payment and proof of completion from the sanctioned class must be received by Arizona REALTORS® no later than thirty (30) days after the date of acceptance. (Amended 10/13)

a. The case will be deemed to be closed upon receipt of payment and proof of completion from the sanctioned class, and notice will be provided to the complainant that the citation(s) has been issued and paid in full. (Amended 10/13)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

b. Failure to pay the citation amount and provide proof of completion of the sanctioned class within thirty (30) days will result in the suspension of association membership(s) and MLS privileges and access until such time as the citation has been paid in full. (Amended 10/13)

III. Limitations

A. Any individual REALTOR® is limited in the number and type of citations that he/she may receive, according to the following rules:

1. No more than one (1) citation within a consecutive twelve (12) month period, starting with the date the first complaint was filed.

2. No more than three (3) citations within a consecutive thirty-six (36) month period, starting with the date the **first complaint** was filed.

3. No more than three (3) citations for the same violation at any time.

4. No additional citations are permitted where the cumulative fine for the citation, if issued, would be more than $1750.

B. Should an individual respondent exceed the limits in subsection A., above, any further complaints will be processed as a regular complaint without the opportunity to participate in the citation program. The program Administrator will review the citation history of a respondent to determine eligibility, and if the respondent is not eligible to receive a citation, the complaint will be forwarded to the Grievance Panel with a notation that the complaint is not covered by the Citation Schedule, but the Grievance Panel will not be told any specifics of why it is not eligible.

C. The fact that a respondent has previously been issued a citation for any violation – whether or not it was paid – shall not be admissible in any ethics or arbitration hearing, including a hearing for a complaint where the respondent rejected a citation.

D. Publishing the names of citation violators can occur after a third citation occurs within three (3) years. All other publication guidelines of Arizona REALTORS® adaptations to Section 45 of the CEAM will apply.

E. Citation sanctions will remain with the respondent's file indefinitely.

F. Where a hearing Panel has found a violation of the Code of Ethics after a full hearing, it may consider past citations paid by the respondent in establishing a sanction only if the citation was for the same violation at issue in the hearing. By way of example, if a citation was issued for failure to disclose a dual or variable rate commission under Standard of Practice 34, that citation could not be considered if a Hearing panel later found a violation of Article 3 on some other grounds. The Hearing Panel shall not be informed of past citations for other violations.

G. The Program Administrator will track the number of citations issued, the number of citations paid, and the violations for which citations were issued. This information may be provided in the aggregate but will not include details about the complaints nor identify the respondents.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

IV. Citation Schedule

A. The following violations are covered by the ethics citation program:

1. Article 1: Standard of Practice 1-7
2. Article 1: Standard of Practice 1-16
3. Article 3
4. Article 4
5. Article 5
6. Article 6
7. Article 12
8. Article 14
9. Article 16

B. Fines for citations to be completed within thirty (30) days shall be as follows:

1. For the first violation $250 + education commensurate with Article violated

a. Class is to be taught by online or live instruction with proof of completion

2. For the second violation $500

3. For the third violation $750

4. For any violation that is repetitive of an earlier violation the fine shall be increased by $250 if it is the second violation, and by $500 if it is the third.

5. For any violation after the third for which the respondent is eligible to receive a citation, an increase of $500 from the amount of the third citation issued to the respondent.

- By way of example:
    - A first violation of X should be $250. A second violation this time for Y, would be $500, and a third violation, this time for Z, would be $750.
    - A first violation of X would be $250. A second violation, also of X, should be $750 ($500 + $250). A third violation, this time of Y, should be $750 (because the third is for a different offense).
    - A first violation of X would be $250. A second violation of X would be $750 ($500 + $250). A third violation of X would be $1250 ($750 + $500).

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

OMBUDSMEN PROCEDURES

NOTE: After review and approval of the appropriate association work group(s), these procedures may be modified from time to time to provide for suggested scripts or other guidelines for approved ombudsmen. Any approved scripts or guidelines may be obtained by members by request. (10/22/02)

Arizona REALTORS® staff members or REALTORS® may be designated as ombudsmen from time-to-time by Arizona REALTORS® Professional Standards Committee Chair. (03/09) (Amended 01/16)

The Association has incorporated the following procedures as part of its Professional Standards Policies:

Associations of REALTORS® are charged with the responsibility of receiving and resolving ethics complaints. This obligation is carried out by local, regional and state grievance committees and professional standards committees.

Many "complaints" received by boards and associations do not expressly allege violations of specific Articles of the Code of Ethics, and many do not detail conduct related to the Code. Some "complaints" are actually transactional, technical, or procedural questions readily responded to.

It is the belief of Arizona REALTORS® that many ethics complaints might be averted with enhanced communications and initial problem-solving capacity at the local level. These ombudsmen procedures, which have been adopted and will be utilized by Arizona REALTORS®, are intended to provide that capacity.

Role of Ombudsmen
The ombudsman's role is primarily one of communication and conciliation, not adjudication. Ombudsmen do not determine whether ethics violations have occurred, rather they anticipate, identify, and resolve misunderstandings and disagreements before matters ripen into disputes and possible charges of unethical conduct.

Qualification and Criteria for Ombudsmen
At a minimum, ombudsmen should be thoroughly familiar with the Code of Ethics, state real estate regulations, and current real estate practice. Ombudsmen may be REALTORS®, staff members, or others acting on behalf of the local board/association.

Involving the Ombudsmen
Ombudsmen can field and respond to a wide variety of inquiries and complaints, including general questions about real estate practice, transaction details, ethical practice, and enforcement issues. Ombudsmen can also receive and respond to questions and complaints about members; can contact members to inform them that a client or customer has raised a question or issue; and can contact members to obtain information necessary to provide an informed response.

In cases where an ombudsman believes that a failure of communication is the basis for a question or complaint, the ombudsman can arrange a meeting of the parties and to facilitate a mutually acceptable resolution.

Where a written ethics complaint in the appropriate form is received, it can be initially referred to the ombudsman who will attempt to resolve the matter.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Right to Decline Ombudsmen Services
Persons filing complaints, or inquiring about the process for filing ethics complaints, will be advised that ombudsmen services are available to attempt to informally resolve their complaint. Such persons will also be advised that they may decline ombudsmen services and can have their complaint referred to ethics mediation (if available),or considered at a formal ethics hearing.

Resolution of Complaints
If a matter complained of is resolved to the mutual satisfaction of all parties through the efforts of an ombudsman, the formal ethics complaint brought initially (if any) will be dismissed.

Failure to Comply with Agreed Upon Resolution
Failure or refusal of a member to comply with the terms of a mutually agreed on resolution shall entitle the complaining party to resubmit the original complaint or, where a formal complaint in the appropriate form had not been filed, to file an ethics complaint. The time the matter was originally brought to the board or association's attention will be considered the filing date for purposes of determining whether an ethics complaint is timely filed.

Referrals to the Grievance Committee or to State Regulatory Bodies
Ombudsmen cannot refer concerns they have regarding the conduct of any party utilizing their services to the Grievance Committee, to the state real estate licensing authority, or to any other regulatory body. The prohibition is intended to ensure impartiality and avoid the possible appearance of bias.

Suspension of filing deadlines: If the Board's informal dispute resolution processes (e.g. ombudsmen, mediation, etc.) are invoked or initiated by a complainant (or potential complainant) with respect to conduct that becomes the subject of a subsequent ethics complaint, the one hundred eighty (180) day filing deadline shall be suspended beginning with the date of the complainant's (or potential complainant's) request for informal dispute resolution service or assistance and shall resume when the informal dispute resolution procedures are concluded or terminated.

Arizona REALTORS® ombudsmen will record the date of the first contact by the complainant's (or potential complainant's) in a computer file. Such date will be the date the informal dispute resolution began and when the filing deadline is suspended. If informal communication attempts by the ombudsmen or informal mediation is unsuccessful, Arizona REALTORS® ombudsmen will record the date that informal dispute resolution procedures are terminated in the computer file. Arizona REALTORS® ombudsmen will notify all parties to the dispute, in writing, of the termination date and that the one hundred eighty (180) day filing deadline countdown shall resume as of the following day. (Approved 10/01).

Questions about when informal dispute resolution began or ended will be determined by the Board President or the President's designee.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Appendix XI to Part Four – Ethics Mediation

Appointment of mediators

The chair of the Professional Standards Committee, with the approval of the Risk Management Committee Chair, will select one or more ethics mediators to act on behalf of the committee. Mediators should be thoroughly familiar with the Code of Ethics, state real estate regulations, and current real estate practice. (Amended 10/12)

Complaints that may be mediated

Complaints brought by the public or by other REALTORS® may be mediated under these procedures.

Initiation of ethics mediation procedures

The ethics mediation process can be initiated three ways:

1) Where a written ethics complaint in the appropriate form is received, ethics mediation will be offered to the complainant. If the complainant is willing to mediate, the respondent will be offered mediation. If mediation is not agreed to at this time, the complaint will be reviewed by the Grievance Committee so a determination can be made whether a possible violation may have occurred or, alternatively, whether the complaint should be dismissed as not requiring a hearing.
2) If the complaint is forwarded by the Grievance Committee, ethics mediation will be offered again.
3) Where an informal inquiry or general letter of complaint, is received, it will not be reviewed by the Grievance Committee, but ethics mediation will be offered. (Amended 01/16)

Referral of complaints to the mediator

When either a written ethics complaint in the appropriate form is reviewed by the Grievance Committee and the Grievance Committee concludes that a hearing is warranted, or when a general letter of inquiry or complaint is received, the materials received may be referred to the ethics mediator by Arizona REALTORS® staff who will contact the parties to schedule a meeting at a mutually agreeable time. During the mediation session the mediator will encourage all parties to openly and candidly discuss all issues and concerns giving rise to the inquiry or complaint, and to develop a resolution acceptable to all of the parties. (Amended 3/22)

Nature of the mediated resolution

The mediator and the parties have considerable latitude in fashioning a mutually acceptable resolution. Resolutions can include, but are not limited to, payment of disputed funds, repairs or restoration of property, written or oral apology, or acknowledgement of a violation of the Code of Ethics. In cases where a REALTOR® acknowledges that the Code has been violated, that admission may be sufficient to resolve the matter or, alternatively, the parties may agree that discipline should be imposed. The discipline may,

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

at the agreement of all parties, include any of the forms of discipline established in the *Code of Ethics and Arbitration Manual* and may also include payment of monies to the complainant or to a third party. Also, the parties agree that the Professional Standards case, and complaints involving the same subject matter, whether filed in a court of law or before an administrative agency, shall be dismissed with prejudice and that no such claims will be filed in the future. (Amended 01/16)

Refusal to comply with agreed upon discipline

Once a resolution agreement has been agreed to and executed by the parties, the agreement is binding and the complaining party shall not be entitled to submit an ethics complaint or resubmit the original ethics complaint. Instead, any action brought to enforce the agreement by the prevailing party shall entitle the prevailing party to an award of reasonable attorney's fees, legal expenses, and court costs, (Amended 01/16)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Mediation of an Arbitrable Dispute

Appointment of mediators
The chair of the Professional Standards Committee, with the approval of the Risk Management Committee Chair, will select one or more ethics mediators to act on behalf of the committee. Mediators should be thoroughly familiar with the Code of Ethics, state real estate regulations, and current real estate practice. (Amended 10/12)

Requests that may be mediated regarding a business dispute
Mediation is Mandatory or Voluntary as Determined by Arizona REALTORS®: It must be understood by all parties that participation in mediation procedures is entirely voluntary, except that REALTORS® (principals) are required to mediate otherwise arbitrable disputes pursuant to Article 17. (Arizona REALTORS® adopted 2012)

Initiation of Mediation Proceedings: Staff, upon receipt of a request for arbitration, will advise all parties of their mediation obligations. If mediation is voluntary and the parties agree, staff will refer the matter to the Mediation Officer and will arrange a mutually convenient time and location for mediation. When mediation is voluntary and the mediation attempt is unsuccessful, or if either of the parties wish to discontinue the mediation process for any reason, then mediation will be terminated. Any request for arbitration filed after an unsuccessful mediation will be referred to the Grievance Committee for review. A party may request that mediation be deferred until such time as the arbitration request has been reviewed by the Grievance Committee, and the Grievance Committee will determine whether (a) an arbitrable issue exists, and (b) whether arbitration would be voluntary or mandatory. Where any party initially declines to mediate pending the Grievance Committee's review of the arbitration request, the parties shall in all instances again be offered the opportunity to mediate following the Grievance Committee's review. (Revised 5/12)

Boards may also offer disputing parties an opportunity to mediate prior to an arbitration request being filed. (NAR Adopted 11/11)

If either of the parties rejects the proposed resolution, the mediation procedure will be deemed concluded and the matter will proceed to arbitration.

Requests that may be mediated concerning a business dispute
See Section 44. Duty and Privilege to Arbitrate. Requests brought by the public or by other REALTORS® as described in Section 44 (a) (1-6) may be mediated under these procedures.
Requests brought by the public or by other REALTORS® regarding Arizona REALTORS® Buyer Broker Exclusive Employment Agreements (BBEEA) or any other agreement referring to Arizona REALTORS® Professional Standards mediation procedures may be mediated per the terms of the respective agreement.

Participation in mediation of a business dispute
Persons inquiring about the process to resolve a business dispute will be advised that mediation is available: 1) prior to filing an arbitration request as described in Section 44; and 2) as a result of a BBEEA

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

or any other agreement referring to Arizona REALTORS® Professional Standards mediation procedures, provided that all parties voluntarily agree to participate.

Persons inquiring about the process to mediate once a Request and Agreement to Arbitrate has been filed and after the Grievance Committee determined that an arbitrable issue exists will be advised that mediation is mandatory unless both parties agree in writing to withdraw from the mediation process and proceed directly to an arbitration hearing.

Referral of requests to the mediator

When a written request and agreement to arbitrate is received in its proper form it will be provided to and reviewed by the Grievance Committee. Should the committee determine that an arbitrable issue exists then Arizona REALTORS® staff will advise the parties in writing whether the determination is for mandatory or voluntary arbitration. Mandatory arbitration will require that the parties mediate their dispute before proceeding to a hearing and require that they complete the Mediation Officer Selection form and the Agreement to Mediate form. When a written request to mediate is received in its proper form it will be reviewed by staff. Arizona REALTORS® staff will contact the parties and a mediator to schedule a mutually agreeable time for the mediation conference. In the event a voluntary mediation does not resolve the dispute then the parties will be advised of their other options to resolve the dispute through Arizona REALTORS®. In the event a mandatory mediation does not resolve the dispute then the arbitration will proceed to a hearing.

Nature of the mediation resolution

The mediator and the parties have considerable latitude in fashioning a mutually agreeable settlement. It is recommended that settlement terms describe the parties' names, settlement due date, any payment arrangement including installments if so agreed, and any other terms and conditions.

Filing Deposits

Arbitration deposits made by the parties will be returned if the dispute is successfully mediated. Deposits will be held in a special account maintained for this purpose until the conclusion of any arbitration hearing or withdrawal of an arbitration request.

Referrals to the Grievance Committee

Mediators cannot refer concerns they have regarding the conduct of any party in mediation to the Grievance Committee, to the state real estate licensing authority, or to any other regulatory body. This prohibition is intended to ensure impartiality and avoid the possible appearance of bias.

Refusal to comply with agreed upon settlement

Failure or refusal to comply with the agreed upon settlement will give the aggrieved party the right to submit the settlement agreement to the judicial courts for enforcement.

File Retention

Matters resolved through mediation cannot be re-filed with Arizona Association of REALTORS®. Mediation of Business Dispute or Mediation of an Arbitrable Issue files are to be destroyed once the mediation has concluded. (Amended 3/22)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

ARIZONA REALTORS® BYLAWS REGARDING PROFESSIONAL STANDARDS

Can be found at:

https://www.aaronline.com/about-us/governing-documents/

Refer to Arizona REALTORS® Bylaws Articles:

- **ARTICLE II**
- **ARTICLE X**
- **ARTICLE XIII**

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

ARIZONA REALTORS® PROFESSIONAL STANDARDS RETENTION POLICIES

1. Grievance Committee Dismissal: Destroy file after twenty (20) day appeal period.

2. Ethics case: If respondent is found not in violation of the Code of Ethics, destroy the file after the decision's adoption by the Executive Committee.

3. Ethics Case: If respondent is found in violation of the Code of Ethics, destroy the file after any and all discipline has been satisfied. (A copy of the decision will remain in the member's personal file at the association office).

4. Arbitration case: Destroy after twenty (20) day review period has been completed and award has been paid.

ARIZONA REALTORS® PROFESSIONAL STANDARDS CALCULATION OF DATES POLICY

Wherever dates are mentioned herein, the timeframe refers to: calendar days and any dates calculated to a weekend will be assigned to the following Monday, and any dates calculated to a holiday will be assigned to the following workday. (Adopted 10/13)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

ARIZONA REALTORS® POLICY STATEMENTS RELATING TO PROFESSIONAL STANDARDS

POLICY II.1- PROFESSIONAL STANDARDS AND GRIEVANCE COMMITTEE TRAINING

Members who are appointed to Arizona REALTORS® Grievance or Professional Standards Committees will be encouraged to complete Safe Real Estate (Code of Ethics/Procuring Cause) prior to appointment. Members must have received Code of Ethics training WITHIN twelve (12) months prior to appointment on either committee and annually while serving on either committee. Arizona REALTORS® committee members must attend Arizona REALTORS® training when at all possible. If an Arizona REALTORS® committee member cannot attend, attempts to find alternatives for them will be made. Exceptions to mandatory training must be approved by the Grievance and/or Professional Standards Committee Chairs. Requirements for members of these committees will be further guided by the Professional Standards Proficiency and Evaluation Procedures which set out procedures for determining the proficiency of new and continuing members of these committees. Those procedures will be reviewed annually by the Professional Standards Policy and Training Workgroup. (Amended 10/12)

PROFESSIONAL STANDARDS PROFICIENCY AND EVALUATION PROCEDURES

In order to assure the highest quality of individuals who serve on these important committees; provide complete due process to all parties; and reduce potential liability for the Association, the following procedures will be followed.

A. Proficiency. Prior to attending a Grievance Committee meeting or serving on a hearing panel, members of Arizona REALTORS® Grievance and Professional Standards Committees must meet one of the following two criteria:

1) Annually attend approved professional standards procedures and/or ethics training. (See also Arizona REALTORS® Policy II.1); or

2) If unable to attend the approved Professional Standards procedures and/or ethics training, take and pass a test on the role of their respective committee (which will include that year's updates to procedures and the Code of Ethics and pass it with a minimum score of 80%.(Amended 10/12)

B. Evaluation Process. In order to "constantly improve," 1) members of the Grievance Committee will be evaluated by the Grievance Committee Chair or Vice Chair, as necessary and 2) hearing panels will be evaluated by respective panel chairs and the Chair or Vice Chair of the Professional Standards Committee, as necessary. This evaluation will address both the knowledge and application of professional standards procedures of the individual and will offer opportunities for suggestions for improvement. The Chair and Vice Chair of each Committee will determine if additional training or other action is necessary. (Amended 01/16)

POLICY II.3 - PROFESSIONAL STANDARDS POLICY RECOMMENDATIONS PROCESS

The Professional Standards and Grievance Committees are Arizona REALTORS® Standing Committees and report through the Risk Management Primary Committee. However, any recommendations dealing with Professional Standards, Arbitration or Mediation procedure or policy from any assigned work group shall be noticed to the members of the Professional Standards and Grievance Committees for comment prior

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

to consideration by the Risk Management Primary Committee. (Amended 1/17 – Arizona REALTORS® Bylaws Policy Statements A. Leadership/Committees – A.6)

POLICY II.4 DELETED 10/12

POLICY II.5 – ABANDONMENT OF AN ETHICS CASE BY THE COMPLAINANT

If a Complainant fails to respond to Arizona REALTORS®, Arizona REALTORS® shall send the Complainant written notice that the claim will be subject to dismissal for lack of action if Arizona REALTORS® receives no response within 20 days. If there is no response, Arizona REALTORS® shall send a final notice to Complainant that the ethics complaint file will be closed on a specified date which shall be no sooner that 10 days after the date of the final notice unless the Complainant responds. If there is no response, the ethics complaint will be referred back to the Grievance Committee to determine if a possible violation of public trust (as defined in Article IV, Section 2 of the National Association's Bylaws) has occurred. If the Grievance Committee determines a potential violation of the public trust may have occurred, the Grievance Committee may proceed as the complainant. Otherwise, the Grievance Committee shall dismiss the complaint. (Amended 1/23)

POLICY II.6 – SENDING COPIES OF ETHICS COMPLAINTS TO THE PARTIES 'DESIGNATED BROKERS

When administering an ethics complaint, Arizona REALTORS® staff will send copies of party documents/filings to the respondent's brokers, past and current, as applicable.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Agreement Between the Arizona Association of REALTORS® (AAR) and _____ of REALTORS® to Establish Statewide Professional Standards

Enforcement Procedures

I. Authority

A. The authority for the establishment and utilization of statewide professional standards enforcement procedures shall be established by this Agreement approved by the Boards of Directors of AAR and the _____ Association of REALTORS® and confirmed by approval of their respective Boards of Directors, or, if required, by the general membership at a duly called meeting with notice as required by the respective Associations' Bylaws.

II. Geographic Area

A. The geographic area served by this Agreement shall be the area of the combined territorial jurisdiction assigned by the NATIONAL ASSOCIATION OF REALTORS® to the Associations which are signatories to this Agreement.

III. Purpose

A. The purpose of this Agreement is to create statewide professional standards enforcement procedures providing for the establishment of a Grievance Committee and a Professional Standards Committee comprised of members from each signatory Association for enforcement of the Code of Ethics, including the mediation of disputes and the conduct of arbitration hearings, involving members of the signatory Associations to ensure impartial and unbiased hearing panels for the conduct of hearings on a basis designed to provide this service and meet the responsibilities of the signatory Associations on an efficient and effective basis to better serve their members. Each local signatory association shall submit all ethics complaints and arbitration requests to AAR for processing under this Agreement.

IV. Composition of Tribunals

A. This agreement authorizes the creation of a statewide Grievance Committee. New signatory associations shall solicit interested members to serve on this committee based on the criteria recommended by the NATIONAL ASSOCIATION OF REALTORS®. Names for vacancies to the Committee may be solicited from signatory associations each year, if needed. Appointment of Grievance Committee members is subject to approval by the AAR Risk Management Committee and subject to review by the AAR Executive Committee. The AAR President shall appoint the Chair and Vice Chair. There shall be a minimum of nine members on the Committee. Grievance Committee meetings will be held, as required, at AAR. All members must be subject to annual professional standards requirements prior to reviewing ethics complaints or requests for arbitration.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

B. This Agreement also authorizes the establishment of a statewide Professional Standards Committee. New signatory associations shall solicit interested members to serve on this committee based on the criteria recommended by the NATIONAL ASSOCIATION OF REALTORS®. Names for vacancies to the Committee may be solicited from signatory associations each year, if needed. Appointments to the Committee are subject to approval by the AAR Risk Management Committee and subject to review by the AAR Executive Committee. The AAR President shall appoint the Chair and Vice Chair. All members must be subject to annual professional standards requirements established in AAR Professional Standards Policies prior to and while serving as a Hearing Panel member.

C. Members of the Grievance Committee and the Professional Standards Committee shall be appointed initially in terms of one (1), two (2), and three (3) years (one-third for each term). New appointments shall be made for three (3) year terms as each term expires.

D. This Agreement also authorizes the establishment of Ethics Appeal and Procedural Review Panels and Panels to review appeals of Grievance Committee dismissals. These Panels will be comprised of members of the Professional Standards Committee not previously involved in the subject cases.

E. The AAR Executive Committee or a tribunal of the Executive Committee shall be responsible for review of ethics decisions not appealed. Such decisions and recommendations for sanction, if any, shall be implemented only upon such review and adoption by the Executive Committee. The Executive Committee shall handle all professional standards matters unless otherwise specified in AAR Policies or in this Agreement. The Executive Committee shall receive annual training on this limited aspect of the process.

F. This agreement also authorizes the appointment by the AAR President of a panel of Mediation Officers. All AAR mediators must attend approved mediation training as required by AAR. Although utilization of the mediation service shall be voluntary and although the process is not defined as a Tribunal, all parties to any requested arbitration shall be provided the opportunity to mediate a controversy arising out of a real estate transaction and their relationship as REALTORS® prior to the arbitration of the controversy, and, all parties to an ethics complaint shall also be provided the opportunity to mediate an ethics complaint according to AAR Professional Standards Policy.

V. Operation

A. Professional Standards Hearings and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS® as amended from time to time, and as adapted to conform to the provisions of applicable state law and AAR approved Professional Standards Policies which are hereby agreed shall be considered as adopted and incorporated into the Bylaws of each Association signatory to this Agreement.

B. Appeal of an ethics determination rendered by the AAR Professional Standards Committee shall be heard by an AAR Appeal Panel as described in IV (D).

C. Appeal is not provided from the decision of an arbitration panel except with respect to a claim by a party alleging deprivation of due process. Such a claim shall be heard by a Review Panel as described in IV (D).

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

D. AAR has the authority and the responsibility to enforce all discipline rendered by a Hearing Panel of the AAR Professional Standards Committee in matters of alleged unethical conduct. This agreement authorizes AAR to enforce any and all disciplinary action recommended in the hearing decision, including the right to fine, place on probation, suspend or expel a REALTOR® and/or MLS Only Participant from a signatory Association or from access to their Multiple Listing Service. This agreement also authorizes AAR to take disciplinary action against a member, including, but not limited to, suspension or expulsion of a member for a breach of a membership duty, including failure to pay arbitration fees, failure to escrow an arbitration award per AAR Professional Standards Policy, and Section 53 of the Code of Ethics and Arbitration Manual, or breach of any membership duty [as provided for in AAR's Bylaws, Article XIII, Sections 4]. AAR will be responsible for maintaining the files on each complaint and will retain all fines imposed and collected in an ethics proceeding. Copies of final decisions will be provided to the Respondent's association for their information.

Consistent with Professional Standard Policy Statement #45, Publishing the Names of Code of Ethics Violators, each signatory local association expressly grants the Arizona REALTORS® the authority to publish the names of the local association members found in violation of the Code of Ethics subject to the following qualifications:

- Publication can only occur after a second violation occurs within three (3) years;
- Publication can only be made in an official communication vehicle of the Association in which the violator holds (held) membership. If the Association (or Associations) in which the violator holds (held) membership does not have an official communication vehicle or for some other reason does not publish the name within ninety (90) days of the decision becoming final, AAR will publish the name of the local association/board member found in violation of the Code of Ethics by way of electronic communication to the members of the association (or associations) in which that individual holds (held) membership. Publication of names of direct members of AAR will be made in the official communication vehicle of AAR.
- The name of the firm the violator is (or was) licensed with cannot be published;
- 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;
- 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;
- At least one of the violations must be based on conduct which occurs after the adoption of these procedures.

E. In the event a member is alleged to have improperly refused to submit a controversy to arbitration, the allegation shall be brought before a Tribunal of five members of AAR's Professional Standards Committee who did not serve on the original arbitration hearing panel. The procedures for notices, time of notices, and hearing prescribed for matters before a hearing panel shall apply. The sole question of fact to decide will be whether the party has refused to submit an arbitrable matter to arbitration. Upon determination that the member has refused to arbitrate a properly arbitrable matter, the Tribunal may direct implementation of appropriate sanction, including, but not limited to, suspension or expulsion of the member from the local Association of REALTORS® or its MLS. The decision of the Tribunal shall be final and

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

binding and is not subject to further review. Copies of the final decisions will be provided to the parties ' associations for their information.

F. In order to determine the severity of any sanction in an ethics case, this agreement also authorizes AAR to access the respondent's personal files at the appropriate signatory association(s).

G. All decisions governed by this Agreement are final and are not subject to further review by signatory associations.

H. Appendix A (Processing an Ethics Complaint) and Appendix B (Processing an Arbitration Request) are incorporated as part of this Agreement.

VI. Reservation of Rights

A. It is understood and agreed by the Associations signatory to this cooperative Agreement that each Association reserves to itself all authority, rights, and privileges as have been assigned to it by its Charter and agreement with the NATIONAL ASSOCIATION OF REALTORS®, except as voluntarily modified by this cooperative Agreement.

B. It is further understood and agreed that any Association signatory to this Agreement may withdraw from the Agreement at any time provided the withdrawing Association shall provide notice to the other signatory Associations ninety (90) days in advance of the date of withdrawal.

IN WITNESS THEREOF, the parties have hereto set their hands and seals on this __ day of _____, 20___. The effective date of the Agreement shall be January 1, 20____.

Attested by

Arizona Association of REALTORS®

_____ _____

(President) (Executive Vice President)

Date:_____, 20

_____Association of REALTORS®

_____ _____

(President) (Executive Officer)

Date:_____, 20___

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PROCESSING AN ETHICS COMPLAINT
(INTERNAL POLICY A)

PHONE CALLS: The local and/or state association will receive calls from the public and from members regarding the Code of Ethics and how to file a complaint.

COMPLAINT FORMS: The local and/or state association will make available a uniform REALTOR® complaint form, along with links to where the REALTOR® Code of Ethics can be found. The complaints will be filed with the state association and submission forms will be available on Arizona REALTORS® website.

NOTIFICATION OF LOCAL ASSOCIATION: The local association will not be informed about the process unless and until a hearing has been held and a decision has been reached.

NOTIFICATION OF PARTIES: The state association will provide the respondent with a copy of the ethics complaint.

MEDIATION: Ethics mediation may be offered either before the Grievance Committee reviews a complaint and again after complaint is forwarded for a hearing, if appropriate.

GRIEVANCE COMMITTEE: Arizona REALTORS® Grievance Committee will review the complaint to determine if it warrants a hearing before the Professional Standards Committee or whether the complaint should be dismissed.

DISMISSAL OF COMPLAINT: Arizona REALTORS® will notify the complainant and the respondent if the complaint has been dismissed or amended.

APPEAL OF THE DISMISSAL: If an appeal is filed, a panel of five members of the Professional Standards Committee or a panel of Grievance Committee members who did not review the original complaint will be formed to review such appeals. (Amended 10/12)

COMPLAINT FORWARDED: If the Grievance Committee determines that a hearing is warranted, Arizona REALTORS® will make all necessary arrangements for the hearing, including setting the date, arranging for a court reporter or on-line recording, selecting the panel and sending all proper notification to the parties. Hearing panels of no less than three members, with the option ofone alternate panelist will be selected from the Professional Standards Committee. Whenever possible, not more than two members from a specific local association will be used on a panel.

CONDUCT OF THE HEARING: Arizona REALTORS® will be responsible for conducting the hearing and providing all administrative support. When possible, hearings will be held via Zoom or another video conferencing platform. If circumstances dictate that the hearing be held in person, it shall take place in a geographic area close to the Respondent's Association and make use of a local association's conference room for the hearing, if feasible.

APPEAL OF HEARING: If an appeal is filed by either party, it will be handled by an Appeal Panel comprised of five members of the Professional Standards Committee not previously involved in the matter. The appeal deposit is $500. Any retained deposits shall be kept by Arizona REALTORS®.

ADOPTION BY THE EXECUTIVE COMMITTEE: If not appealed, the decision and recommendation of the sanction, if any, shall be a recommended to Arizona REALTORS® Executive Committee or a Tribunal of Arizona REALTORS® Executive Committee members and shall be implemented only upon review and approval by the Executive Committee. A copy of the decision will be furnished to the Local Association to be placed in the REALTOR®'s personal file. Personal files for ethics matters will also be kept by Arizona REALTORS®.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

FILES: Arizona REALTORS® will be responsible for maintaining the file on each complaint.

FINES: Arizona REALTORS® will retain all fines imposed and collected through an ethics proceeding.

ENFORCEMENT: Arizona REALTORS® will be responsible for enforcing any and all disciplinary action imposed by the Hearing Panel. This responsibility of enforcement, including the right to fine, suspend or expel membership, or its MLS, authorized in the agreement duly executed between the local Association and Arizona REALTORS® as well as the Bylaws of the local Association.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PROCESSING A REQUEST FOR ARBITRATION
(INTERNAL POLICY B)

PHONE CALLS: The local and/or state association will receive calls from the public and from members regarding how to file a request for arbitration.

COMPLAINT/REQUEST FORMS: The local and/or state association will direct inquiries to the Arizona REALTORS® website which shall contain a uniform REALTOR® Request to Arbitrate form and a cover letter. The request will be filed with the state association.

NOTIFICATION OF LOCAL ASSOCIATION: The local association will not be informed about the process once the case is filed with Arizona REALTORS®.

NOTIFICATION OF RESPONDENT: The state association will provide the respondent with a copy of the arbitration request.

MEDIATION: Provided that all parties voluntarily agree to participate: mediation requests brought by the public or by other REALTORS® regarding: Section 44 - Voluntary types of arbitration; Arizona REALTORS® Buyer Broker Exclusive Employment Agreements (BBEEA); any agreement referring to Arizona REALTORS® Professional Standards mediation procedures; or mediation of business disputes filed prior to a request to arbitrate; may be mediated by Arizona REALTORS®. Once Arizona REALTORS® Grievance Committee determines that an arbitrable issue exits, that dispute is required to be mediated prior to proceeding to a hearing before the Professional Standards Committee. Any arbitration deposits made by the parties will be returned if the dispute is successfully mediated. (Amended 10/13)

GRIEVANCE COMMITTEE: Arizona REALTORS® Grievance Committee will review the request to determine if the matter is properly subject to arbitration or whether the request is unworthy of further consideration.

DISMISSAL OF REQUEST: Arizona REALTORS® will notify the complainant and the respondent if the request has been dismissed.

APPEAL OF THE DISMISSAL: If an appeal is filed, a panel of five members of the Professional Standards Committee or a panel of Grievance Committee members who did not review the original complaint will be formed to review such appeals. (Amended 10/12)

REQUEST FORWARDED: If it is determined that a hearing is warranted, Arizona REALTORS® will make all necessary arrangements for the hearing, including setting the date, arranging for on-line recording or a court reporter if necessary, selecting the panel and sending all proper notification to the parties. Hearing panels of no less than three members, with an option of one alternate panelist will be selected from the Professional Standards Committee. Whenever possible, not more than two members from a specific local association will be used on a panel.

CONDUCT OF THE HEARING: Arizona REALTORS® will be responsible for conducting the hearing and providing all administrative support. When possible, hearings will be held via Zoom or another video conferencing platform. If circumstances dictate that the hearing must be held in person, it shall take place in close proximity to the parties ' association(s) and make use of a local association's conference room for the hearing if feasible.

PROCEDURAL REVIEWS: If a procedural review is filed by either party, it will be handled by an Arizona REALTORS® Review Panel comprised of five Professional Standards Committee not previously involved in the matter. The review deposit is $500.00. Any retained deposits shall be kept by Arizona REALTORS®.

FILES: Arizona REALTORS® will be responsible for maintaining a file on each case.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

FEES: Arizona REALTORS® will require each party to pay an arbitration deposit of $500.00. Deposits of the non-prevailing party will be retained by the association to offset the administrative costs involved in conducting the hearing and the prevailing party's deposit will be returned. Any arbitration deposits made by the parties will be returned if the dispute is successfully resolved prior to a hearing.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PROCESSING PROFESSIONAL STANDARDS & GRIEVANCE COMMITTEE APPLICATIONS

(INTERNAL POLICY C)

PROFESSIONAL STANDARDS & GRIEVANCE COMMITTEE APPLICATION PROCESS:

1. Candidate submits application on or before November 1
2. Staff reviews application for completeness and submits application to the Chair or Vice-Chair of Professional Standards or Grievance Committee
3. Chair or Vice-Chair of Professional Standards or Grievance Committee reviews application for approval
4. Risk Management Committee Chair reviews application for approval
5. President reviews applicants for approval
6. Staff sends invitations to the approved applicants to attend the annual workshop
7. The Risk Management Committee Chairs approve applicants who qualify.

Minimum Requirements:

1. Completes application
2. Thoroughly familiar with National Association of REALTORS® Code of Ethics, Arizona real estate regulations, and current real estate practice.
3. Meets NAR's recommended criteria:
   - number of years as a REALTOR®
   - number of years in the real estate business
   - primary and secondary fields of real estate endeavor/expertise
   - participation in post-licensing real estate education
   - training in the Code of Ethics
   - position in firm (principal, non-principal)
   - size of firm
   - common sense
   - open-mindedness
   - familiarity with state(s) laws and regulations
   - receptiveness to instruction/training
   - other relevant professional or procedural training
4. One written recommendation from a real estate related reference

(Amended 1/23)

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PROCESSING MEDIATOR/ARBITRATOR APPLICATIONS

(INTERNAL POLICY D)

REALTOR® MEDIATION APPLICATION PROCESS:

1. Candidate completes application.
2. Staff reviews application for completeness and makes recommendation to Professional Standards Chair and Risk Management Chair. (Revised 10/13)
3. Professional Standards Chair and Risk Management Chair reviews application and determines acceptance or denial. (Revised 10/13)
4. Staff conveys decision to candidate.

Minimum Requirements:

1. Familiarity with National Association of REALTORS® Code of Ethics and Arbitration Guidelines, Arizona real estate laws, and current real estate practice.
2. Completion of Arizona REALTORS® and/or NAR's mediation training program.

DISPUTE RESOLUTION SYSTEM (DRS) MEDIATOR/ARBITRATOR APPLICATION PROCESS:

1. Candidate completes application and submits resume.
2. Staff reviews application for completeness and makes recommendation to the RMC Chair.
3. The Risk Management Chair considers application and determines acceptance/denial.
4. Staff conveys decision to candidate. If accepted, staff requests that the candidate sign Arizona REALTORS® Agreement for Mediation Services.

Minimum Requirements:

1. Familiarity with Arizona real estate laws, contract law, and current real estate practice.
2. Be an Arizona licensed attorney/judge or be employed by a government agency.
3. Possess at least 1 year of experience as a mediator/arbitrator.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PROCESSING OMBUDSMEN APPLICATIONS

(INTERNAL POLICY E)

REALTOR® OMBUDSMEN APPLICATION PROCESS:

1. Candidate completes application.

2. Staff reviews application for completeness and makes recommendation to Professional Standards and Risk Management Chairs. (Revised 10/12)

3. Professional Standards Chair reviews application and determines acceptance or denial.

4. Staff conveys decision to candidate.

Minimum Requirements:

1. Thoroughly familiar with National Association of REALTORS® Code of Ethics, Arizona real estate regulations, and current real estate practice.

2. Completion of Arizona REALTORS® Annual Ombudsmen Training program.

ARIZONA REALTORS® OMBUDSMEN RETENTION POLICIES

All Ombudsmen Requests and related documents will be destroyed when the Ombudsmen efforts have concluded and the case is closed.

In the event:

1. An Ombudsmen Request is **dismissed** for falling outside the scope of program:

    a. Forward a follow up letter to the Complainant with other Arizona REALTORS® dispute resolution options and other related agency information.

    b. Follow up letter will be retained for 180 days from date of letter, then destroyed.

    c. Destroy the Request and supporting documents received upon closing.

2. An Ombudsmen Request is **successful**:

    a. Record the Request as "successfully closed."

    b. Destroy the Request and any related documents received upon closing.

3. An Ombudsmen Request is **unsuccessful**:

    a. Record the Request as "unsuccessful – closed."

    b. Forward a follow up letter to the Complainant with other Arizona REALTORS® dispute resolution options and other related agency information.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

c. Follow up letter will be retained for 180 days from date of letter, then destroyed.

d. Destroy the Request and supporting documents received upon closing.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

PROFESSIONAL STANDARDS QUESTIONS AND ANSWERS

WITNESS ISSUES

Q: A party to the dispute would like to have a witness with pertinent first-hand knowledge about the dispute attend the hearing. Can the witness attend the hearing and be accompanied by his/her own counsel?

A: A witness can bring an attorney if the chair allows it. (DM 03/09)

Q: A Managing Broker wants to attend an Arbitration hearing as a principal. How is a Managing Broker's role related to the arbitration request?

A. The opposing party should be properly noticed of the Managing Broker's role so that they know who will be testifying. If the Managing Broker attends the hearing with the principal broker, he/she does not need notice unless he/she intends to testify. If it is necessary to clarify the Managing Broker's role, the Hearing Panel Chair can go on record at the beginning of the hearing asking the opposing party if they need additional time to prepare their defense given the Managing Broker in question is attending on behalf of the firm which would allow him to remain in throughout the hearing and participate on behalf of the firm (not just testify as a typical witness). (DM 06/10)

RECORDING/TRANSCRIPT QUESTIONS

Q: A respondent prevailed at a hearing and was not found in violation of the code of ethics. The respondent, quoting Section 2 (e) (2) of the CEAM, requested a copy of the hearing's transcript for use in a related civil matter. The respondent was not eligible to request an appeal. Can Arizona REALTORS® release the hearing notes to the complainant?

A: No. Section 2 (e) (1) authorizes dissemination of the decision where necessary to vindicate a member's reputation; it does not provide that the transcript or recording of the hearing can be used for that purpose. The intent of subsection (e) (2) is similar, though the wording is less specific. It does not authorize use of the transcript or recording in other proceedings. (DM 1/09)

TIMELINESS

Q: After the Grievance Committee has forwarded an ethics complaint or an arbitration request, can the Hearing Panel determine that the filing was not timely?

A: Yes. The issue may be considered at a prehearing meeting or at the outset of the actual hearing (to be decided by the hearing panel chair). If the chair determines the issue will be considered at the outset of the hearing, parties will be told that the panel will listen to the parties' arguments and that they should come prepared to discuss the issue, if they would like to comment.

At the hearing, all parties will be sworn in, the parties will have an opportunity to question each other and the panel will be given an opportunity to ask questions of the parties limited to the timely filed issue. Thereafter, the hearing panelists will go into executive session and make their decision.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Regardless of whether a prehearing meeting is held or the matter is reviewed at the outset of the actual hearing, if the hearing panel dismisses the case, the panel's rationale will be shared with the parties and the parties will be given form E-22 or A-20, as appropriate. The parties will have an opportunity to appeal, just like they would if the grievance committee dismissed the case. The parties are not entitled to attend the appeal.

In the event the dismissal is overturned on appeal, the case will be referred back to the same hearing panel for the hearing, absent some compelling reason not to have the same panel hear the merits.

The appeal panel can advise when they rule on the timely filed issue, whether the hearing should be held before the same, or a different panel. (DM 05/11)

Appeal provisions **specific to Arbitration (see Section 45 of the CEAM):**
If the dismissal is overturned, the matter will be remanded back to the original Hearing Panel on all cases.

FAILURE TO COOPERATE

Q: What is the Sanction for a complainant's failure to attend a hearing without a valid reason?

A: ARBITRATION: If the complainant fails to appear for the arbitration hearing without a valid reason, the panel may dismiss the arbitration with the Respondent's consent and direct that the complainant's deposit be retained by the association.

ETHICS: When the complainant fails or refuses to appear at the hearing and the grievance committee becomes the complainant pursuant to Section 31 (f) (3) of the Code of Ethics and Arbitration Manual, the hearing panel can require the former complainant to appear and place all pertinent facts before the hearing panel as a witness (although the Grievance Committee is primarily responsible for production of witnesses and exhibits). If the former complainant is a REALTOR® and does not appear when summoned by the hearing panel, then the former complainant may be charged with a violation of Article 14. (DM 06/10)

Questions and Answers were reviewed and approved by the RMC on 08/18/11.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Administrative Time Frames—Ethics Proceedings
(INTERNAL POLICY G)

GRIEVANCE	
SITUATION	**TIME TABLE**
Complaint filed	**180 days…**was the complaint filed within one hundred eighty (180) days of the time that the alleged offense and facts relating to it could have been known by the complainant in the exercise of reasonable diligence or within one hundred eighty (180) days after the conclusion of the transaction or event, whichever is later? *(Revised 5/11)*
	45 days days after receipt the ethics complaint must be reviewed by a panel of the Grievance Committee.
Response required/# of days to submit	**15 days** from request for response being transmitted if response is solicited
Complainant's appeal Arizona REALTORS®	**20 days** from transmittal of dismissal notice
Appeal Tribunal review	**Next meeting**

PROFESSIONAL STANDARDS	
Respondent provides response	**15 days** from request for response being transmitted
Challenge forms	**10 days** to challenge from date forms transmitted
Panel named	**21 days** in advance of hearing
Hearing notice	**21 days** in advance of hearing
Complaint/response to panel	**21 days** in advance of hearing
Notice of witnesses and counsel	**15 days** before hearing to Arizona REALTORS® and other party
Adjourned hearing	**Not less than 15 days** or more than 30 days from hearing (unless a "late" witness is allowed and then not less than **5 days** from hearing)
Transmit decision	**5 days** after decision is filed with staff, except if it is necessary to obtain association counsel review.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

APPEAL	
Appeal filed	**20 days** after decision transmitted
Preliminary review	**10 days** after the appeal is transmitted to Arizona REALTORS®
Amendment received	Within **10 days** of notice
Appeal heard	Next/special meeting giving 10 days minimum notice, but not later than **30 days** after receipt of appeal

RETENTION	
Grievance Dismissal	**20 days** after appeal period
Hearing - No Violation	Destroy after EXCOM adopts Hearing Panel's Decision
Hearing - Violation	A copy of the decision is held indefinitely. Destroy the case file after any and all disciplines have been satisfied.
Mediation – Ethics withdrawal	Destroy after the agreement is reached
Abeyance Post GVC / Post Hearing	If held in abeyance, return case to GVC to consider after **3 years**
Post EXCOM	Upon notice that membership is inactive hold file indefinitely

MEDIATION	
Request Filed – Before Ethics Complaint	**180 Days** consideration is suspended until resolved or file is closed. Staff advises parties how many additional days are added to 180-day consideration.
Request Filed – After Ethics Complaint	Ethics process is put on hold until resolved or file is closed.
Conclusion of Mediation Conference	All mediation notes used by the parties and the mediation officer will be destroyed

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Mediation – Resolved	• Mediation files and any related formally filed ethics complaints will be closed and destroyed once successfully mediated ethics complaints are satisfied. • Any formally filed ethics complaint resulting in an unsuccessful mediation will close and destroy the mediation file. The complaint will proceed forward to a hearing. • Any request for mediation that is not related to a formally filed ethics complaint will be closed and the mediation file destroyed. Parties will be advised that Complainant can file a formal ethics complaint and will be compensated towards the formal ethics complaint filing deadline by the days the mediation file was active.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Administrative Time Frames—Arbitration Proceedings
(INTERNAL POLICY G)

GRIEVANCE	
SITUATION	**TIME TABLE**
Request filed	**180 days…**was the request for arbitration filed within one hundred eighty (180) days after the closing of the transaction, if any, or within one hundred eighty (180) days after the facts constituting the arbitrable matter could have been known in the exercise of reasonable diligence, whichever is later? *(Revised 4/92)*
Response required/# of days to submit	**15 days** from transmitting request to respondent if response solicited
Appeal dismissal to Directors	**20 days** from transmitting dismissal notice
Appeal of mandatory vs. voluntary classification	**20 days** from receipt of decision

HEARING	
Notification to respondent of request	**5 days** from receipt of Grievance Committee's instruction
Response required	**15 days** from sending request to respondent
Challenge forms	**10 days** to challenge from date forms are transmitted
Panel named	**15 days** from transmitting challenge forms
Hearing notice*	**21 days** before hearing
Arbitration case to panel	**21 days**
Notice of witnesses and attorney	**15 days** before hearing to Arizona REALTORS® and other party

PROCEDURAL REVIEW	
Request filed	**20 days** from sending award
Preliminary review	Optional number of days
Amendment received	Within **10 days** of notice

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22

Review held	Next/special meeting giving not less than **10 days** notice

LEGAL CHALLENGE

Award Escrowed w/Arizona REALTORS®	**30 days** after Arizona REALTORS® sends award, receipt of notice of legal challenge due
Procedural Review	**30 days** after Arizona REALTORS® sends Procedural Review decision, receipt of legal challenge due

RETENTION

Destroy – No Escrow – No Procedural Review	**21 days -** Destroy file after 20-day procedural review period has been completed and the award has been paid
Destroy – Award Escrowed w/Arizona REALTORS®	**30 days -** after 30-day legal challenge period has expired with no filing
Destroy – Procedural Review	**30 days** after procedural review destroy file
Post Hearing or Post Procedural Review	Upon notice failure to pay notify board counsel for EXCOM meeting ASAP
Abeyance	Hold case file indefinitely for any arbitration award not paid

MEDIATION

Request Filed – Before Arbitration	**180 Days** consideration suspended until resolved or file is closed. Staff advises parties how many additional days are added to 180-day consideration.
Request Filed – After Arbitration	Mediation is mandatory unless all parties to waive mediation.
Conclusion of Mediation Conference	All mediation notes used by the parties and the mediation officer will be destroyed
Mediation – Resolved	Mediation files will be destroyed when the terms of mediation agreement have been satisfied.

AMENDED 11/97; 1/98; 5/98, 3/99, 10/99, 10/00, 10/01, 3/02, 10/02, 3/03, 9/03, 3/04, 6/04, 10/04, 3/06, 10/06, 6/07, 7/07, 3/08, 6/08, 10/08; 01/10; 10/10; 01/12; 10/12, 10/13, 1/15, 10/15, 1/16, 1/17, 1/18, 6/19, 1/21, 3/22