



2017 SAR Statements of Professional Standards Policy

Grievance Committee

- SAR will have no more than 15 members on the Grievance Committee, with three-year staggered terms. After the 3rd year, Grievance Committee members will move to the Professional Standards Committee
- The President shall annually designate Chairperson and Vice Chairperson of the Committee. SAR will continue to solicit Respondent's response prior to complaint being considered by the Grievance Committee.
- The Grievance Committee will hold regularly-scheduled meetings and /or review complaints/arbitration requests not later than forty-five (45) days after receipt of the complaint/arbitration request (05/15)

Professional Standards Committee

- SAR will have no more than 15 members on the Professional Standards Committee, with three-year staggered terms.
- The President shall annually designate Chairperson and Vice Chairperson of the Committee.
- SAR will continue to solicit Respondent's response prior to complaint being considered by the Grievance Committee.

Arbitration

- SAR **will** provide voluntary arbitration as a service and adopts all three (3) voluntary arbitration options (i.e., REALTOR® and REALTOR-ASSOCIATE®s affiliated with the same firm; REALTOR® principal vs. a nonmember broker; and/or REALTOR® principal vs. customer)
- SAR will not consider an arbitration amount of less than \$500.
- SAR will continue to require a \$500.00 arbitration filing fee per party to be submitted with requests and agreements to arbitrate.
- The Secretary shall promptly refer the request for arbitration to the Chairperson of the Grievance Committee for determination by the Committee within 10 days as to whether the matter is subject to arbitration. (Revised 11/98)
- SAR will continue to return a portion of the filing fee when parties participate in a successful mediation session in lieu of a full arbitration hearing.

- SAR will return the prevailing party's \$500.00 filing fee, or where parties successfully mediate an otherwise arbitrable dispute, 50% of their filing fee will be refunded within 15 days.
- SAR will allow 20 calendar days for the Respondent in an Arbitration request to supply response to the Grievance Committee and will require Respondent to provide an appropriate number of copies of said response.
- In the event the respondent fails or refuses to sign the Response and Agreement Form (Part Thirteen, Form #A-4), fails or refuses to make the required deposit, or fails or refuses to take part in the arbitration hearing, the arbitration hearing may be scheduled and conducted in the absence of the respondent, SAR will invoke option #3. (Pg. 144 Sec 48 Option 3)
- SAR will not require arbitration commissions in an Arbitration dispute to be submitted to the Association and held in an Association escrow account.
- SAR will not mandate mediation prior to arbitration hearing.
- SAR will continue to offer Mediation Service on arbitrations before review by the Grievance Committee.
- SAR will continue to offer Mediation Service on arbitrations after Grievance decision to move the case forward to a Hearing Panel.
- SAR will charge the Arbitration Hearing Panel Chair with rulings on requests for postponement
- SAR will continue to provide Arbitration complaint hearing packets to panel members 5 days prior to the hearing.

SAR will adopt the following regarding the Award

- (c) If an award has been rendered, the nonprevailing party must, within ten (10) days following transmittal of the award, either (1) pay the award to the party(ies) named in the award or (2) deposit the funds with the Board Secretary or Board Executive Officer to be held in a special Board escrow account maintained for this purpose. Failure to satisfy the award or to deposit the funds with the Board within this time period may be considered a violation of a membership duty and may subject the member to disciplinary action at the discretion of the Board of Directors. (Revised 11/14) The nonprevailing party shall have twenty (20) days following transmittal of the award to request procedural review of the arbitration hearing procedure or to have legal counsel notify the Board Secretary or Executive Officer that a legal challenge to the validity of the award has been initiated. (Revised 11/14)
- (d) If a request for procedural review of the arbitration procedure is received within twenty (20) days, the funds deposited with the Board shall be retained in the Board's escrow account until the review is completed. If the arbitration award is confirmed by the Board of Directors following the conduct of the limited procedural review, the nonprevailing party shall have an additional fifteen (15) days to institute an appropriate legal challenge to the validity of the arbitration award. In such case, the nonprevailing party shall also cause legal counsel to advise the Board in writing that a suit challenging the validity of the arbitration award has been filed

during this additional fifteen (15) day period. After fifteen (15) days, if written notice of a suit challenging the validity of the arbitration award has not been received by the Board, the funds shall be released from escrow and paid to the prevailing party. If written notification is received during the fifteen (15) day period, the funds will be held in escrow pending the determination of the matter by a court of competent jurisdiction. (Adopted 11/87)

If the nonprevailing party does not request the Board to conduct a procedural review of the arbitration hearing process during the twenty (20) day period following transmittal of the award, then written notification that a legal challenge has been instituted must be received within the twenty (20) days following transmittal of the award. Failure to provide written notification that a suit challenging the validity of the award has been filed within twenty (20) days following transmittal of the award will result in the award being paid from the Board's escrow to the prevailing party. (Revised 11/14)

(e) Any failure to make the necessary deposits with the Board shall be referred to the Board of Directors for action at their next meeting or at a special meeting called for that purpose. The party failing to make the deposit on a timely basis shall be advised of the date, time, and place of the meeting and shall have an opportunity to explain why the required deposits were not made on a timely basis. The Board of Directors may, at its discretion, impose discipline or may give the party an additional period to make the required deposits. The Directors may also stipulate appropriate discipline to be automatically imposed if the party fails to make the deposit within the time established by the Directors. (Adopted 11/87)

(f) Any interest accrued on the escrowed funds shall become the property of the party to whom the funds are ultimately released by the Board. (Adopted 11/87)

Inter-board or Regional Grievance or Professional Standards Committee

- SAR will require a \$500.00 filing fee for Inter-board arbitrations.
- SAR will, within twenty (20) days after the Inter-board arbitration panel has been formed, send a copy of the arbitration request to the Respondent.
- Expenses related to conduct of hearings by Inter-Board or Regional Grievance Professional Standards Committees shall be borne equally between the signatory Boards and shall not be supported by fees charged to the members other than as otherwise authorized by the *Code of Ethics and Arbitration Manual*. pg. 126 Sec 25
- In Inter-board arbitrations, SAR will not allow, at the parties expense, a court reporter or recorder to be present and may not tape record the proceeding at an Inter-board Ethics or Arbitration hearing.
- The panel Secretary will require the complainant to submit sufficient copies of the arbitration request and related documents for each member of the panel and the respondent or respondents within 20 days after the Inter-board Arbitration panel has been formed.

Code of Ethics

- The Secretary shall promptly refer the Ethics Complaint to the Chairperson of the Grievance Committee for determination by the Committee within 10 days of receipt.
- SAR will continue to charge the Ethics Hearing Panel Chair with rulings on requests for postponements
- SAR will not publish the names of Code of Ethics violators.
- SAR will use alternative enforcement procedures (e.g., use of hearing officers, ombudsmen, and mediation of ethics complaints).
- SAR will not include names on ethics decisions presented to the Board of Directors for ratification.
- SAR Board of Directors will not publish names if and when respondents violate the Code of Ethics twice in 3 years.
- SAR in addition to any discipline imposed, will charge an administrative processing fee of \$250.00 against respondents found in violation of the Code of Ethics or other membership duties.
- The maximum amount of fine for Code of Ethics will be \$5,000.

Conduct of an Ethics & Arbitration Hearing

- SAR will continue to abide by all the Expedited Ethics Administration Hearings processes per Section 20 (f-q) of the NAR Code of Ethics and Arbitration Manual
- SAR will provide Ethics complaint, and response if any, to the hearing panel at least 5 days prior to the hearing.
- SAR will require an ethics complaint Respondent to respond and to provide an appropriate number of said responses within 20 calendar days of their receipt of request for information from the Grievance Committee
- SAR will **not** allow, at the parties' expense, a court reporter or recorder to be present and may not tape record the proceeding at an Ethics or Arbitration hearing.

Appeals

- SAR will use the Board of Directors on request for appeal of ethics hearing decisions, dismissed ethics complaints and arbitration procedural review. Any appeal panel so formed must be composed of at least five (5) directors or a quorum of the Board of Directors, whichever is less.

- SAR requires all ethics appeals to be in writing and to be accompanied by a nonrefundable deposit in the amount of \$250.00 for arbitration appeal.
- SAR will use the Board of Directors on appeals of decisions by hearing panels. Arbitration awards may be appealed on procedural review only.
- Procedural reviews must be filed within 20 days after the award has been transmitted to the parties and be accompanied by a deposit of \$250 .
- SAR adopts Pg. 48 Section 23(b) and 23(m) whereby the Board of Directors, if no appeal is filed, will adopt the Hearing Panel's recommendation, and issue its order accordingly. In cases where an ethics appeal has been filed, the Board of Directors will hear the appeal and the decision shall be final and binding, and not subject to further review.