

Code of Ethics and/or SentiLock Citation Policy and Schedule of Fines

All GCAAR members agree to abide by the Code of Ethics and Standards of Practice of the National Association of Realtors® (the “Code of Ethics”) **and** the Regional Rules and Regulations for the SentiLock Lockbox System (the “SentiLock Rules”).

This citation process is intended to help the Association receive and resolve certain complaints alleging a violation of the Code of Ethics **and/or** SentiLock Rules where the Respondent waives their right to a formal hearing.

PLEASE NOTE: It is possible for a complaint to allege violations of both the Code of Ethics and SentiLock Rules. In such cases, two complaints must be filed simultaneously; please be sure to complete both a Code of Ethics Complaint Form and a SentiLock Complaint Form.

Initial Review by Grievance Committee

- I. When a Grievance Committee receives a written ethics complaint, it will review the complaint consistent with Sections 19 and 20 of the current NAR *Code of Ethics and Arbitration Manual*. The Grievance Committee may add or delete articles or respondents at this stage in the proceedings.
- II. If the Grievance Committee determines that the complaint should be forwarded for a hearing, the Grievance Committee will first forward the complaint to the Association’s Citation Panel to determine if it includes allegations covered by the Citation Schedule, i.e., if it is a “citable offense”.
 - a. If the complaint does not include alleged violations included in the Citation Schedule, or it includes some covered by the Citation Schedule and some that are not, the complaint shall be referred to the Professional Standards Committee for hearing consistent with the policies and procedures set forth in the Code of Ethics and Arbitration Manual for ethics hearings.
 - b. If the complaint includes only allegations of violations included in the Citation Schedule, the Citation Panel will issue a citation and impose discipline consistent with the association’s Citation Schedule. In the event the members of the Citation Panel determine the conduct described in the complaint is sufficiently egregious to warrant a hearing rather than a citation, the complaint shall be referred to the Professional Standards Committee for hearing consistent with the policies and procedures set forth in the Code of Ethics and Arbitration Manual for ethics hearings.

- c. When an ethics or SentiLock complaint and an arbitration request arising out of the same facts and circumstances are filed at the same time, the arbitration hearing shall be held first, and the citation(s) issued or ethics hearing held after the conclusion of the arbitration hearing consistent with Professional Standards Policy Statement #35, Separation of Ethics Complaint and Arbitration Request, Code of Ethics and Arbitration Manual.

Issuance of Citations

- I. Citations will be sent to respondents. A copy of the citation shall also be sent to the REALTOR® principal of respondents' office. If the respondent changes firms before or after the complaint is filed but before the citation is issued, both the former and current REALTOR® principal will receive a copy of the citation.
 - a. Staff will prepare a written summary of the complaint and the summary will be included with the citation to give the respondent sufficient information to understand the basis of the citation.
 - b. At the option of the association, the complaint itself may be provided to the respondent, including the identity of the complainant. Alternatively, the complaint itself and the identity of the complainant may be kept confidential and unavailable to the respondent. The practice of the association should be established in advance and followed consistently. If an association has adopted the practice of allowing the identity of the complainant to be kept confidential, the complainant shall be advised when filing a complaint that their identity will not remain confidential should the respondent request a hearing.
- II. The respondent will have twenty (20) days from transmission of the citation to request a full due process hearing on the complaint.
 - a. If the respondent does not reply within ten (10) days of transmission of the citation, a notice shall be transmitted to the respondent reminding the respondent of the deadline for requesting a hearing.
 - b. If the respondent accepts the citation, or if the respondent does not request a hearing within twenty (20) days of transmission of the citation, this shall be deemed to be a final resolution of the complaint, which shall not be appealable or subject to any further review.
 - c. If the respondent accepts the citation, or if the respondent does not request a hearing within twenty (20) days of transmission of the citation, payment must be received by the association no later than 30 days (to be established by the association, but in any instance not more than five [5] days) after the date of acceptance or time period to request a hearing has elapsed.

- i. The case will be deemed to be closed upon receipt of payment, and notice will be provided to the complainant that a citation has been issued and paid.
 - ii. Failure to pay the citation amount within __5__ days (to be established by the association, but in any instance not more than five (5) days) after the date of acceptance or after the time period to request a hearing has expired will result in the automatic suspension of membership until the citation has been paid.
- d. If the respondent requests a hearing within the time specified, the complaint shall be referred for hearing. The complainant who initially filed the complaint shall be given the option to proceed as the complainant for the purposes of the hearing and will be afforded all due process rights provided for in the Code of Ethics and Arbitration Manual. Should the complainant be a member of the public who refuses or is unable to participate in the hearing, or should the complainant be a REALTOR® member who refuses or is unable to participate in the hearing, the provisions of Section 21(f)(3) in the NAR Code of Ethics and Arbitration Manual shall apply.
- e. Associations should determine in advance what information will be provided to complainants prior to citations being issued and paid, or respondents requesting a hearing, including the point at which complainants will be notified of the status of their complaint, and what information will be provided to complainants about citations issued, including the amount of any fine. These procedures should be established in advance and followed consistently.

Limitations

- I. Any REALTOR® is limited in the number and type of citations that he/she may receive, according to the following rules:
 - a. No more than two (2) citations will be issued to a member within a consecutive twelve (12) month period, starting on the date the first complaint was filed, at the same association.
 - b. No more than three (3) citations will be issued to a member within a consecutive thirty-six (36) month period, starting on the date the first complaint was filed, at the same association.
 - c. No additional citations are permitted where the cumulative fine for the citations issued would be more than \$5,000 (not to exceed \$5,000) in any three (3) year period at the same association.

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- d. Associations may, at their discretion, adopt an escalating fine schedule for repeat citations. If an escalating fine schedule is used, the citation panel may only consider the past citations for the conduct alleged in the complaint.
 - II. 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 to consider a complaint where the respondent rejected a citation and requested a hearing. A hearing panel may consider citations previously issued to the respondent for the purpose of determining appropriate discipline as provided in Subsection IV below.
 - III. Citations may be considered in any publication of violations should such rules be adopted by the association.
 - IV. Where a hearing panel finds a violation of the Code of Ethics after a hearing, it may consider past citations in determining an appropriate sanction only if the citation was issued 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 3-4, that citation could not be considered if a hearing panel later found a violation of Article 3 on some other grounds. Hearing panels will not be informed of past citations for other violations.
 - V. Association staff 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 to the Board of Directors, but will not include details about the complaints, nor identify the complainants or respondents.
 - VI. The allegations, discussions and decisions made in the citation process are confidential and shall not be reported or published by the board, any member of a tribunal, or any party under any circumstances except those established in Limitations, Sections III and V of this policy and the Code of Ethics and Arbitration Manual of the National Association as from time to time amended.

Citation Schedule of Fines – Code of Ethics

Code of Ethics training is required for all violations listed; training does not reduce the fine.

Article 1		1st Violation	2nd Violation	3rd Violation
SOP 1-5	Failure to fully disclose and obtain consent from both parties when representing both the seller/landlord and buyer/tenant in the same transaction	<u>\$1,000</u>	<u>\$2,000</u>	<u>\$4,000</u>
SOP 1-6	Failure to submit offers and counteroffers objectively and as quickly as possible	<u>\$1000</u>	<u>\$2,000</u>	<u>\$4,000</u>
SOP 1-7	Failure on the part of a listing broker to provide, as soon as practical, written affirmation that an offer was presented or written notification that the seller/landlord has waived the obligation to have the offer presented, upon written request of a cooperating broker submitting an offer.	\$500	\$1,000	\$2,000
SOP 1-8	Failure on the part of a buyer's/tenant's broker to provide, as soon as practical, a written affirmation to the listing broker stating that the counteroffer has been submitted to the buyers/tenants, or a written notification that the buyers/tenants have waived the obligation to have the counteroffer presented.	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 1-12	Failure to advise sellers/landlords of information prior to entering into a listing contract.	\$500	\$1,000	\$2,000
SOP 1-13	Failure to advise buyers/tenants of information prior to entering into a buyer/tenant agreement	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 1-16	Accessing or using, or allowing others to access or use, a property managed or listed on terms other than those authorized by the owner or seller	<u>\$1,000</u>	<u>\$2,000</u>	<u>4,000</u>
Article 3				
SOP 3-2	Failure to communicate a change in compensation for cooperative services prior to the time that REALTOR® submits an offer to purchase/lease the property	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
	As a listing broker, attempting to unilaterally modify the offered compensation with respect to a cooperative			

	transaction after a REALTOR® has submitted an offer to purchase or lease that property			
SOP 3-4	Failing to disclose existence of dual or variable rate commission arrangements	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
	Failure to disclose to cooperating brokers differential that would result in dual or variable rate commission arrangement if sale/lease results through efforts of seller/landlord	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 3-6	6 Failing to disclose existence of accepted offers, including offers with unresolved contingencies, to cooperating brokers	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 3-8	Misrepresenting the availability of access to show or inspect a listed property	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 3-9	Providing access to listed property on terms other than those established by the owner or the seller	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Article 4	Failing to disclose REALTOR®'s ownership or other interest in writing to the purchaser or their representative. Article 4 (second sentence)	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Article 5	Providing professional services without disclosing REALTOR®'s present interest in property (limited to present interest, not contemplated)	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Article 6	Article 6 (first paragraph) Accepting any commission, rebate, or profit on expenditures without client's knowledge or consent	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
	Article 6 (second paragraph) Failure to disclose to a client or customer REALTOR®'s financial benefits or fees received as a direct result of recommending real estate products or services	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 6-1	1 Failure to disclose REALTOR®'s direct interest in an organization or business entity when recommending to a client or customer that they use the services of that organization or business entity	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Article 12	Failing to present a true picture in real estate communications and advertising	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
	Failing to disclose status as real estate professional in advertising and other representations	\$500	\$1,000	\$2,000
SOP 12-1	Representing brokerage services to a client or customer as free or available at no cost when the REALTOR® receives compensation from any source for those services	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>

SOP 12-3	Failure to exercise care and candor when communicating the terms and conditions of premiums, prizes, merchandise discounts or other inducements to list, sell, purchase, or lease	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 12-4	Advertising property for sale/lease without authority of owner or listing broker	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 12-5	Failing to disclose name of firm in advertisement for listed property	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 12-6	Failing to disclose status as both owner/landlord and REALTOR® or licensee when advertising property in which REALTOR® has ownership interest	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 12-7	Falsely claiming to have “sold” property	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 12-8	Failure to take corrective action when it becomes apparent that information on a REALTOR®’s website is no longer current or accurate	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 12-9	Failure to disclose firm name and state of licensure on REALTOR® firm website	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 12-10	Misleading consumers through deceptive framing, manipulating content, deceptively diverting internet traffic, presenting other’s content without attribution or permission, or using misleading images.	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 12-12	Registering or using of deceptive URL or domain name	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 12-13	Representing that the REALTOR® has a designation, certification, or other credential they are not entitled to use	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Article 14	Failing to cooperate in a professional standards proceeding or investigation in circumstances when cooperation has been demanded by the association and association has advised REALTOR® failure to cooperate could result in an allegation of a violation of Article 14	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Article 16				
SOP 16-16	Conditioning submission of a buyer’s offer on additional compensation from a listing broker	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
SOP 16-19	Placing for sale/lease sign on property without permission of seller/landlord	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>

Citation Schedule of Fines – SentiLock

Note: A complaint supporting a violation of SentiLock policy IV-D may be filed as both a SentiLock policy violation on the SentiLock Complaint Form AND a Code of Ethics violation on the Ethics Complaint Form.

Section IV		<u>1st Violation</u>	<u>2nd Violation</u>	<u>3rd Violation</u>
C	Shall remove Lockbox within 48 hours of settlement	<u>\$500*</u>	<u>\$1,000**</u>	<u>\$3,000**</u>
D	Shall use App only for the purposes of gaining authorized entry into real property pursuant to the exercise of authority or responsibility derived from the agency, sub-agency, or other legally recognized brokerage relationship granted by the property owner in a listing agreement or offer of cooperation by the listing agent, or from an appraisal relationship with the property owner or contract buyer.	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
E	Shall not issue or use SentiConnect® or ODC to access property without written permission of property owner(s).	<u>\$1,000*</u>	<u>\$1,500**</u>	<u>\$2,500**</u>
F	Shall not lend or permit App to be used by any other person or assign, transfer, pledge or duplicate App or allow any other person to do so.	<u>\$1,000*</u>	<u>\$1,500**</u>	<u>\$2,500**</u>
H	Shall keep App in Holder’s possession or in a safe place at all times	<u>\$500*</u>	<u>\$1,000**</u>	<u>\$3,000**</u>
I	Shall not allow Holder’s PIN to be attached to App, mobile device, or in any way unsecured.	<u>\$500*</u>	<u>\$1,000**</u>	<u>\$3,000**</u>
J	Shall not disclose or provide Holder’s PIN or password to any third party	<u>\$500*</u>	<u>\$1,000**</u>	<u>\$3,000**</u>
K	Shall not duplicate, lend, or permit the property key to be used by any other person	<u>\$1,000*</u>	<u>\$1,500**</u>	<u>\$2,500**</u>
L	Shall not allow anyone who has been admitted to the property by Holder to remain in the property after Holder has left the property without consent of the property owner(s)	<u>\$1,000*</u>	<u>\$1,500**</u>	<u>\$2,500**</u>

M	Shall close and lock any windows or doors opened or unlocked by Holder or by anyone admitted by Holder prior to leaving the property	<u>\$1,000*</u>	<u>\$1,500**</u>	<u>\$2,500**</u>
N	Shall ensure that the property key is replaced in Lockbox and Lockbox is properly closed	<u>\$1,000*</u>	<u>\$1,500**</u>	<u>\$2,500**</u>
P	Shall only issue or distribute SentiConnect® or ODC to licensed agents, brokers, inspectors, contractors or the property owner(s) and only with written permission from the property owner(s).	<u>\$1,000*</u>	<u>\$1,500**</u>	<u>\$2,500**</u>