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## Form #E-19

### Sample Format of Agreement Between \_\_\_\_\_ and \_\_\_\_\_ Boards of REALTORS® to Establish Multi-Board (or Regional) Professional Standards Enforcement Procedures

(1) **Authority**

The authority for the establishment and utilization of multi-Board (or regional) professional standards enforcement procedures shall be established by this Agreement approved by the Boards of Directors of \_\_\_\_\_ and \_\_\_\_\_ Boards of REALTORS® and confirmed by approval of the general membership at a duly called meeting with notice as required by the Boards' bylaws.

(2) **Geographic Area**

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 Boards which are signatories to this Agreement.

(3) **Purpose**

The purpose of this Agreement is to create multi-Board (or regional) professional standards enforcement procedures providing for the appointment of Mediation Officers and the establishment of a joint Grievance Committee, Professional Standards Committee, and an Appeal Panel comprising members from each signatory Board for enforcement of the Code of Ethics, including the mediation of disputes and the conduct of arbitration hearings, involving members of the signatory Boards 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 Boards on an efficient and effective basis to better serve their members.

(4) **Composition of Tribunals**

(a) This Agreement authorizes the establishment of a multi-Board (or regional) Grievance Committee. The Grievance Committee shall be composed of at least one (1) member in good standing of each signatory Board.

Members of the Grievance Committee from each signatory Board shall be appointed by the Presidents of the respective Boards, subject to confirmation by the respective Boards of Directors, provided that the Presidents shall have the power to appoint, on a timely basis, and without necessity of confirmation by the Boards of Directors, a substitute member to the Committee for any member from their respective Boards who may be unable to serve for any reason. The Grievance Committee shall select its own Chairperson (or, alternatively, the Grievance Committee Chairperson shall be selected from members of the Grievance Committee by a majority vote of the Presidents of the Boards which are signatories to this Agreement).

NOTE: There must be at least three (3) individuals serving on the multi-Board Grievance Committee, and it is desirable that the number be greater to provide an adequate number of members to handle the anticipated case load without undue stress.

(b) This Agreement also authorizes the establishment of a multi-Board (or regional) Professional Standards Committee. The Professional Standards Committee shall be composed of at least two (2) members in good standing from each signatory Board.

The members of the Professional Standards Committee shall be appointed by the Presidents of the respective Boards, subject to confirmation by the respective Boards of Directors, provided that the Presidents shall have the power to appoint, on a timely basis, and without necessity of confirmation by the Boards of Directors, a substitute member to the Committee for any member from their respective Boards who may be disqualified for any valid reason from hearing a particular matter. The Professional Standards Committee shall select its own Chairperson (or, alternatively, the Chairperson shall be selected from members of the Professional Standards Committee by a majority vote of the Presidents of the Boards which are signatories to this Agreement).


NOTE: There shall be at least nine (9) members of the Professional Standards Committee, and more, if feasible, to handle the anticipated case load without undue stress.


(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. Members of the committees shall be eligible for reappointment.

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- (d) This Agreement also authorizes the appointment of a panel of Mediation Officers to include at least one (1) such Mediation Officer from each signatory Board. Although utilization of the service of mediation shall be voluntary, unless REALTORS® (principals) are required by their Board which is a signatory to this agreement to mediate otherwise arbitrable disputes pursuant to Article 17,\* and although the process is not defined as a tribunal, all parties to any requested arbitration shall be provided the opportunity to mediate a dispute arising out of a real estate transaction and their relationship as REALTORS® prior to the arbitration of the dispute. *(Revised 11/11)*

#### (5) 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 which is hereby agreed shall be considered as adopted and incorporated into the bylaws of each Board signatory to this Agreement.

NOTE: Any matters of local Board option should be considered and agreed on in advance as necessary and the signatory Boards should also clarify which Board will be responsible for administering the process. The following is an example of such clarification: 

*The respondent's local Board, or the Board through which the respondent gains access to and use of the MLS, will be responsible for administering the procedures and all optional provisions (see pages i and ii of the Code of Ethics and Arbitration Manual) of that Board will control.* 

- (b) Appeals of the Grievance Committee's dismissal of an ethics complaint or arbitration request (or challenges to the classification of arbitration requests) shall be heard by those members of the Committee who did not serve on the original tribunal. If panels of the Grievance Committee are not used, any appeal of the Grievance Committee's dismissal (or challenge to an arbitration request classification) shall be heard by a tribunal of five (5) members selected from the Boards of Directors of the signatory Boards to be appointed by the Boards' Presidents. *(Adopted 11/96)*

Appeal to an ethics determination rendered by the multi-Board (or regional) Professional Standards Committee shall be heard by those members of the Committee who did not constitute the original Hearing Panel. (For this reason, there should be an adequate number of members appointed to the Committee to provide an Appeal Panel of at least five [5] members.)

- (c) Appeal is not provided from the decision of an arbitration panel established under this Agreement, except with respect to a claim by a party alleging deprivation of due process. Such a claim shall be heard by an Appeal Panel as described in the second paragraph of (b) above.
- (d) In matters of alleged unethical conduct, any determination rendered by a Hearing Panel of the multi-Board (or regional) Professional Standards Committee that has not been appealed, or as finally determined if appealed, will be provided to the respondent's Board of original jurisdiction for ratification or implementation, as appropriate.
- (e) In matters involving arbitration, any determination rendered by a Hearing Panel of the multi-Board (or regional) Professional Standards Committee will be provided to each respective party's Board of original jurisdiction for informational purposes. In the event a party to an arbitration refuses to pay an award in arbitration, the Board in which the award recipient holds membership shall advise the award recipient to seek judicial enforcement as set forth in Section 56, **Part Ten**, and in Appendix III, **Part Ten**, of the *Code of Ethics and Arbitration Manual*.
- (f) In the event a complainant alleges that the respondent has improperly refused to submit a dispute to arbitration (or to mediation if the respondent's signatory Board requires REALTORS® [principals] who are parties to a dispute to mediate otherwise arbitrable matters pursuant to Article 17), the allegation shall be brought before (choose one: a tribunal of five [5] members selected from the multi-Board's Professional Standards Committee to be appointed by the Committee's Chairperson and chosen from the individuals who were not selected to serve on the original Arbitration Hearing Panel, or a tribunal of five [5] members selected from the Board of Directors of the signatory Boards to be appointed by the Board Presidents). The procedure 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 (or mediation if required) in violation of Article 17. Upon determination that the member has refused to arbitrate or mediate a properly arbitrable matter, the (specify body — name of tribunal) may direct implementation of appropriate sanction, including, but not limited to, suspension or expulsion of the member from the local Board of REALTORS® and/or its MLS. The decision of the (specify body — name of tribunal) shall be final and binding and is not subject to further review by the State Association or any signatory Board. *(Revised 11/15)* 

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\* Requiring REALTORS® (principals) to mediate otherwise arbitrable disputes requires establishment of an affirmative obligation in the Board's governing documents. Enabling bylaw provisions can be found at REALTOR.org (see Model Bylaws).

(g) In the event a party fails to, within ten (10) days of the date the award is transmitted, either pay the award to the party(ies) named in the award or deposit the funds with the Professional Standards Administrator of the Board administering the arbitration consistent with Section 53, The Award, *Code of Ethics and Arbitration Manual*, that failure shall be brought before (choose one: a tribunal of five [5] members selected from the multi-Board Professional Standards Committee to be appointed by the Committee's Chairperson and chosen from the individuals who were not selected to serve on the original arbitration Hearing Panel, or a tribunal of five [5] members selected from the Board of Directors of the signatory Boards to be appointed by the Board Presidents). This tribunal, consistent with Section 53, may, at its discretion impose discipline, including but not limited to termination of Board membership and/or MLS access/use, or may give the party an additional period to make the required deposit. The tribunal may also stipulate appropriate discipline to be automatically imposed if the party fails to make the deposit within the time established by the tribunal. The decision of the tribunal shall be final and binding and is not subject to further review by the State Association or any signatory Board. (Adopted 11/15)



**(6) Reservation of Rights**

- (a) It is understood and agreed by the Boards signatory to this Agreement that each Board 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 Agreement.
- (b) It is further understood and agreed that any Board signatory to this Agreement may withdraw from the Agreement at any time provided the withdrawing Board shall provide notice to the other signatory Boards 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 this Agreement shall be \_\_\_\_\_, 20\_\_\_\_\_.

**Attested by**

_____ Type/Print President's Name	_____ President's Signature
_____ Board of REALTORS®	_____ Date
_____ Type/Print Association Executive's Name	_____ Association Executive's Signature
_____ Board of REALTORS®	_____ Date
_____ Type/Print President's Name	_____ President's Signature
_____ Board of REALTORS®	_____ Date
_____ Type/Print Association Executive's Name	_____ Association Executive's Signature
_____ Board of REALTORS®	_____ Date
_____ Type/Print President's Name	_____ President's Signature
_____ Board of REALTORS®	_____ Date
_____ Type/Print Association Executive's Name	_____ Association Executive's Signature
_____ Board of REALTORS®	_____ Date

(Revised 11/15)