

Subject: **Ethics**

**Part Number: Part 04 -
Part Title: The Ethics Hearing**

**Section/Form Number: Appendix VIII to Part 04
Section/Form Title: Procedures for Consideration of Alleged Violations of Article IV,
Section 2, Bylaws, NATIONAL ASSOCIATION OF REALTORS®**

Text:

**Appendix VIII to Part 04
Procedures for Consideration of Alleged Violations of Article IV, Section 2, Bylaws,
NATIONAL ASSOCIATION OF REALTORS®**

Alleged violations of Article IV, Section 2, Bylaws, **National Association of Realtors®** will be received and reviewed by the Chairman and Vice Chairman of the Professional Standards Committee in consultation with staff and counsel. A written response will be requested from any Board so charged. Staff and counsel will then attempt to provide technical and procedural assistance to the Board cited in the complaint when deemed appropriate by the Chairman and Vice Chairman. Where the efforts of staff and counsel to effect a resolution are unsuccessful, the Chairman of the Professional Standards Committee, the Vice Chairman, and the Immediate Past Chairman will determine if the complaint, if taken as true on its face, states a possible violation of Article IV, Section 2. If the Chairman, the Vice Chairman, and the Immediate Past Chairman determine that the complaint does not state a possible violation of Article IV, Section 2, the complaint will be dismissed and not be subject to further consideration. If the Chairman, the Vice Chairman, and the Immediate Past Chairman determine that the complaint, if taken as true on its face, states a possible violation of Article IV, Section 2, the alleged violation will be considered by a special Hearing Panel of five (5) members of the Professional Standards Committee selected by the Chairman that will meet at one of the regularly scheduled meetings of the National Association or, where deemed necessary by the President, at a special meeting called for the purpose. Any challenge to the qualifications of a panel member shall be decided by the Chairman. The burden shall be on the complainant to show that the Board has failed to satisfy its obligation under Article IV, Section 2. (Revised 05/03)

Both the complainant and respondent may submit supporting documentation of no more than one hundred (100) pages in support of the alleged violation or in support of the Board's response to the charge. Such materials must be received by the National Association no later than thirty (30) days prior to the date of the hearing and will be provided to the members of the Hearing Panel prior to the hearing.

Both the complainant and the respondent may be represented by counsel at the hearing. The procedures to be followed at the hearing will parallel, as closely as possible, those established in the Code of Ethics and Arbitration Manual for the conduct of an ethics hearing, in effect at the time the complaint is received by the National Association. Any variations from the procedures established in the Code of Ethics and Arbitration Manual will be made at the discretion of the Chairman of the Professional Standards Committee.

The decision of the Hearing Panel will be provided to the parties no more than sixty (60) days after the hearing. The decision will be signed by a majority of the Hearing Panel members or alternatively, will be accompanied by certification from staff that the panel's decision has been reviewed by and is concurred in by a majority of the Hearing Panel members.

If either the complainant or respondent chooses to appeal the Hearing Panel's decision, a written request for appeal must be filed with the National Association within thirty (30) days of receipt of the decision by the parties. The request for appeal must specify, in detail, the bases on which the Hearing Panel's decision is being challenged. Upon receipt of a request for appeal, staff will put the matter on the agenda of the Professional Standards Committee at its next regularly scheduled meeting. The appeal hearing will be the final matter of business on the committee's agenda and will be considered in executive session. The party requesting the appeal will have fifteen (15) minutes to explain why the decision of the Hearing Panel should be modified or

should not be adopted. The Chairman of the Hearing Panel will then have fifteen (15) minutes to respond. Following that, the party requesting the appeal, the Chairman of the Hearing Panel, and the non-appealing party will each have five (5) minutes to offer any rebuttal and to make any closing statement. Following this, the parties will be dismissed.

Following the closing statements, the Professional Standards Committee will remain in executive session for the purpose of determining whether the Hearing Panel's decision should be affirmed, modified, or reversed. The decision of the Professional Standards Committee will be final and binding and not subject to any further review or appeal with the sole exception that any recommendation that a Board's status as a member of the National Association be terminated shall be reported to the Board of Directors with the final decision to be made by the Directors.

In instances where no appeal is made to the decision of the Hearing Panel within the allotted thirty (30) days, the decision of the Hearing Panel will be considered final and binding and not subject to further review or appeal but shall be reported by the Chairman of the Hearing Panel to the Professional Standards Committee at the next regularly scheduled meeting for informational purposes. Any recommendation that a Board's status as a member of the National Association be terminated shall be reported to the Board of Directors with the final decision to be made by the Directors.

In the event the charter of any Board is revoked, the jurisdiction shall revert to the status of territory unassigned by the National Association, and this shall be administratively entered upon the Board jurisdiction records of the National Association, and a report shall be made to the Membership Policy and Board Jurisdiction Committee.