

#### **4.8.1.1 GRIEVANCE COMMITTEE JOB DESCRIPTION**

##### **PURPOSE:**

The Grievance Committee receives ethics complaints and arbitration requests to determine, if taken as true on their face, a hearing is to be warranted. The Grievance Committee makes only such preliminary evaluation as is necessary to make these decisions. While the Grievance Committee has meetings, it does not hold hearings, and it does not decide whether members have violated the Code of Ethics. The Grievance Committee does not mediate or arbitrate business disputes.

##### **CHAIRMAN:**

The Chair shall be appointed by the Association President with confirmation of the Board of Directors.

##### **VICE CHAIRMAN:**

The Vice Chair shall be elected by the Grievance Committee not later than its second meeting in the new committee year, the Grievance Committee shall elect a vice-chair. Procedure for election shall be nominations from the floor, secret ballot conducted with a majority vote required for election. Vice Chair shall have served on the Grievance Committee twelve (12) of the proceeding twenty-four (24) months.

##### **MEMBERS:**

There shall be not more than 18 members nor less than 12 members of the Grievance Committee who are active REALTOR® members of the Board. Appointments shall be made by the President subject to confirmation by the Board of Directors from those who apply and meet the criteria (Ref. Policy #4.8.1.3). Appointments shall be made annually in such numbers and in such manner as to create staggered terms of three years to ensure continuity of knowledge and experience by the committee.

No more than one member from any firm within the Association's jurisdiction may serve on the Committee. In the event a conflict arises because of a transfer, such conflict shall be resolved by the Association president.

Members of the Nevada Real Estate Commission shall be precluded from serving on the Grievance Committee.

##### **DUTIES:**

1. Be thoroughly familiar with current editions of:
  - (A) The Code of Ethics, NATIONAL ASSOCIATION OF REALTORS®
  - (B) Interpretations of the Code of Ethics, NATIONAL ASSOCIATION OF REALTORS®
  - (C) Bylaws of the Reno/Sparks Association of REALTORS®, Inc.
  - (D) Code of Ethics and Arbitration Manual, NATIONAL ASSOCIATION REALTORS®
  - (E) NNRMLS Rules and Regulations
  - (F) Nevada Revised Statutes 645 and 119
  - (G) Antitrust Compliance Manual
2. Failure to live up to the responsibilities of committee membership may lead to the expulsion by the committee chair with approval of the Board of Directors.

MEETINGS:

1. The Committee shall meet bi-monthly, or at the call of the chair.
2. Any committee member missing two (2) regular or special meetings without excuse acceptable to the Chair or Vice Chair shall be removed from the committee (Ref. 1.1.1.8) and the vacancy shall be filled by the President.

GENERAL PROCEDURES:

1. Upon receipt of an ethics complaint or request for arbitration, a letter of acknowledgement will be sent to the complainant. Additionally, the respondent will be notified in writing and provided with a copy of the complaint. No response will be solicited from the Respondent, unless deemed necessary by the Grievance Committee or the assigned investigators.
2. The Grievance Committee chair shall assign two committee members to conduct a preliminary investigation of the complaint.
3. Investigators will not make direct contact with either the complainant or respondent. If deemed necessary, they will instruct staff to contact the parties in writing to obtain documentation or clarify statements.
4. Investigation of processing of ethics complaints shall be in accordance with Part Four, Section 20 (a – e).
5. Grievance Committee members will be required to sign a Certificate of Qualification for each case under deliberation. If disqualified for any of the reasons stated on the Certificate of Qualification, the committee member must be excused from the meeting during deliberations.
6. In accordance with Part Four, Section 20 of the *Code of Ethics and Arbitration Manual*, should the Grievance Committee require the respondent to furnish a response before making its determination, the respondent shall have ten days to provide response.
7. The REALTOR® principal with whom a REALTOR® (non-principal) is affiliated shall not automatically be joined in an ethics complaint.

ADMINISTRATION:

1. The Chief Executive Officer will maintain a record tracking system to determine action completed and pending on all cases submitted to the Grievance Committee.
2. In the event pending action on a case before the Grievance Committee exceeds 30 days, the Executive officer will notify all parties of the status of said case.
3. All correspondence on cases before the Grievance Committee will be transmitted under the signature of the Chief Executive Officer.
4. Only the Chief Executive Officer or designated Association staff may divulge the status of any case pending before the Grievance Committee.
5. Upon action by the Grievance Committee to forward a complaint, the Chief Executive Officer will have appropriate copies of the complainant and response forwarded to the Professional Standards Chair and to Association counsel, when deemed necessary, prior to scheduling a hearing panel and date.
6. The Professional Standards Committee and the Grievance Committee shall conduct joint meetings as necessary.
7. The Chair of the Grievance Committee will serve as an ex-officio member of the Professional Standards Committee and vice versa.

Approved by Grievance Committee: 10/23/08

Approved by Policy Committee: 8/26/08

Approved by Board of Directors: 8/28/08

#### **4.8.1.3 CRITERIA FOR GRIEVANCE COMMITTEE APPOINTMENTS**

In addition to the following criteria, appointments shall be made in accordance with Part Two, Section 15 of the Code of Ethics Manual.

1. Applicants must be members in good standing of the National Association of REALTORS® for a minimum of five years.
2. Agents interested in an appointment must have their brokers recommendation.
3. Attention should be given to applicant's degree of activity in real estate.
4. Consideration will be given to applicants who have transferred from another board and who have served as a member of either Professional Standards or Grievance Committee for that Board.
5. Repeat offenders of the Code of Ethics should not be considered.
6. Applicants shall be reviewed for their excellence in business practices and adherence to the Code of Ethics.

Approved by Grievance Committee:01/25/01

Approved by Bylaws & Policy: 01/13/01

Approved by Board of Directors: 02/22/01

**APPLICATION FOR APPOINTMENT TO  
GRIEVANCE COMMITTEE**

Name \_\_\_\_\_ Agent # \_\_\_\_\_

Firm Name \_\_\_\_\_

Firm Address \_\_\_\_\_

Home phone \_\_\_\_\_ Office Phone \_\_\_\_\_

Number of years in the real estate business? \_\_\_\_\_

Number of transactions completed or supervised in the past twelve months? \_\_\_\_\_

In what type of real estate do you specialize? (i.e. residential, commercial, property management, or managing Broker etc.) \_\_\_\_\_

Have you been a member of another board? \_\_\_\_\_ Board Name \_\_\_\_\_

List committee involvement in the above named Board.  
\_\_\_\_\_

List committee involvement in the Reno/Sparks Association of REALTORS® \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Have you ever been found in violation of the Code of Ethics? \_\_\_\_\_  
If yes, please explain each incident. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Have you ever been found in violation of any industry-related statute in any state? \_\_\_\_\_  
If yes, please explain each incident. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please give a brief explanation of your interest in serving on the Grievance Committee  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ I am fluent in a foreign language  Yes  No

Specify which language: \_\_\_\_\_

I, \_\_\_\_\_ highly recommend that the above applicant be appointed to a position on  
(Broker)  
the grievance committee.

Broker Signature: \_\_\_\_\_ Date: \_\_\_\_\_

#### **4.11.1.1 PROFESSIONAL STANDARDS COMMITTEE JOB DESCRIPTION**

##### **PURPOSE:**

Members of the committee to serve on hearing panels, as required; to hear matters of alleged ethical misconduct by board members, as referred by the Grievance Committee; or to decide arbitrations when invoked. The hearing panel's findings and recommendations for disciplinary action, if any, are forwarded to the Board of Directors for affirmation, rejection or modification. Committee should make recommendations to the Education Committee on courses that detail professional practice, etiquette, courtesies, and conduct.

##### **CHAIR:**

The Chair shall be appointed by the President who must use the following parameters:

1. Shall have been a member of the committee for at least the previous two years;  
or
2. shall have served as a member of two ethics or arbitration panels: or
3. shall have served as a chair of at least one ethics or one arbitration panel; or
4. shall have demonstrated leadership capability, i.e. served in an officer or director position for the Association.

In the event that there are no candidates who satisfy the criteria set forth above or those who are qualified refuse to accept, the President shall appoint a Chair who most closely fits the criteria set forth above.

##### **CHAIR DUTIES:**

When a case has been referred to a hearing by the Chair of Grievance Committee, the Chair sets a time, date, and place for the hearing, and recommends to staff those members of the committee who should comprise the hearing panel.

##### **VICE CHAIR:**

Shall be appointed by the Chair. Performs the duties of the Chair in his absence.

##### **MEMBERS:**

There shall be at least 18 members of the Professional Standards Committee who are members of the Board, appointed by the President subject to confirmation by the Board of Directors. They are appointed annually in such numbers and in such manner as to create staggered terms of three years to ensure continuity of knowledge and experience by the committee. Members of the Nevada Real Estate Commission shall be precluded from serving on the Professional Standards or Grievance Committee.

##### **DUTIES:**

1. Be thoroughly familiar with current editions of:
  - (A) The Code of Ethics, NATIONAL ASSOCIATION OF REALTORS®
  - (B) Interpretations of the Code of Ethics, NATIONAL ASSOCIATION OF REALTORS®
  - (C) Bylaws of the Reno/Sparks Association of REALTORS®, Inc.
  - (D) Code of Ethics and Arbitration Manual, NATIONAL ASSOCIATION REALTORS®, which will be provided annually to each committee member.
  - (E) NNRMLS Rules and Regulations
  - (F) Applicable Nevada Revised Statutes and Nevada Administrative Code
  - (G) Antitrust Compliance Manual

3. When appointed to a hearing panel for ethics or arbitration, panel members shall be thoroughly familiar with the case in advance of the hearing. Panel members shall impartially hear cases and render a decision based on the facts presented using their experience and knowledge of the real estate profession, which in their mature judgment maintain the high ethical standards of that profession. If it is evident to a Hearing Panel Chair that a panel member has not thoroughly reviewed the case in advance of the hearing, it is the responsibility of the Chair to advise the panel member in private, of the importance of their role as a panel member and advance preparation. (Professional Standards Committee chair and the Chief Executive Officer should be advised if this situation arises.)
4. Failure to live up to the responsibilities of committee membership may lead to the dismissal from the committee by the committee chair with approval of the Board of Directors.
5. The Professional Standards Chair should consider a committee member who has served on at least two (2) hearing panels prior to appointing the member to act as chair of a hearing panel
6. Recommend topics for proper ethical conduct to be posted in the Association electronic newsletter.
7. Recruit new members to the Professional Standards Committee, promoting the value of the committee and the adherence to the Code of Ethics.

#### GENERAL PROCEDURES:

1. Speakers for Business Meetings – to speak on most common violations of the Code of Ethics – educational tool.
2. If a Respondent answers a complaint with a counter complaint dealing with the same transaction, the panel may, at its discretion, conduct one hearing.
3. Only officially signed and dated complaints shall be forwarded.
4. Any violations of the NNRMLS Rules and Regulations brought to the attention of a Hearing Panel during the course of a hearing should be referred to the NNRMLS Trustees at the conclusion of the Professional Standards hearing process.
5. Panel Members shall not circumvent the Professional Standards Committee by participating in hearings outside the structure of the Board.
6. The Professional Standards Committee and the Grievance Committee shall conduct joint meetings as necessary.
7. Any changes in the Code of Ethics and Arbitration Manual by the NATIONAL ASSOCIATION OF REALTORS® shall be disseminated as widely as possible.
8. Any discussion pertaining to a particular case should include the Chair of the Professional Standards Committee and the Chair of the Hearing Panel.
9. The Chair of the Professional Standards Committee will serve as an ex-officio member of the Grievance Committee and vice versa.
10. Professional Standards Hearing panels may recommend to the Board of Directors that a decision be forwarded to the Nevada Real Estate Division as a violation of the public trust. Public trust in accordance with the Code of Ethics and Arbitration Manual refers to demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm.
11. Cases to be affirmed by the Board of Directors will not include the names of the parties, subject property or panel members who participated.

Approved by Bylaws & Policy: 8/26/08  
Approved by Board of Directors: 8/28/08

**4.11.1.2 GRIEVANCE AND PROFESSIONAL STANDARDS TRAINING**

**ATTENDANCE REQUIREMENT**

An education program for the purpose of training Professional Standards Committee, Grievance Committee and Board of Directors members, shall be conducted as soon as practicable after the start of the committee year.

All appointed members of the Grievance Committee and Professional Standards Committee, must attend a designated training session on the Code of Ethics, Arbitration and related processes. Those appointed committee members who have not attended the required training will not be eligible to participate in Grievance Committee deliberations or serve on hearing panels.

All elected officers and directors, must attend a designated training session on the Code of Ethics, Arbitration and related processes. Any elected officer or director who has not attended the required training will not be eligible to participate in ethics affirmations, appeals or procedural reviews.

Attendance at the sessions will be recorded and maintained at the Association office. Staff will notify the Association president or the respective committee chairpersons of non-compliance with the stated policy.

Failure to attend the required training within the 1<sup>st</sup> quarter of the committee year will result in a drop from the appointed committee.

Approved by Professional Standards: 03/02/05  
Approved by Bylaws & Policy: 05/17/05  
Approved by Board of Directors: 05/26/05

**4.11.1.3 CRITERIA FOR PROFESSIONAL STANDARDS COMMITTEE APPOINTMENTS (Page 1 of 2)**

The Professional Standards Committee recommends that in choosing new members of this committee, the president of the Board should consider the following:

1. Applicants to be members in good standing of the National Association of REALTORS® and/or a local board of REALTORS® for a minimum of three years. A current application must be filed by each applicant before the appointment will be considered by the Board president.
2. Attention should be given to the applicant's degree of activity in active real estate.
3. Consideration will be given to applicants who have transferred from another board and who have served on Professional Standards or Grievance for that Board.
4. Applicants should be actively involved in activities and/or committees of the Board.
5. Repeat offenders of the Code of Ethics should not be considered.
6. Applicants shall be reviewed for their excellence in business practices and adherence to the Code of Ethics.

Approved by Professional Standards: 06/17/87

Approved by Bylaws & Policy: 10/17/00

Approved by Board of Directors: 10/19/00

**APPLICATION FOR APPOINTMENT TO  
THE PROFESSIONAL STANDARDS COMMITTEE**

(Page 2 of 2)

Name \_\_\_\_\_ Agent # \_\_\_\_\_

Firm Name \_\_\_\_\_

Firm Address \_\_\_\_\_

Home Phone \_\_\_\_\_ Office Phone \_\_\_\_\_

Number of years in the real estate business \_\_\_\_\_

Number of transactions completed in the past twelve months? \_\_\_\_\_

What type of real estate do you specialize in? (i.e. residential, commercial, property management, etc.) \_\_\_\_\_

\_\_\_\_\_

Have you ever been found in violation of the REALTOR® Code of Ethics? \_\_\_\_\_

If yes, please explain each incident. \_\_\_\_\_

\_\_\_\_\_

Have you been a member of another Board? \_\_\_\_\_ If so, name of Board \_\_\_\_\_

\_\_\_\_\_

List committees and activities involved in, in the above named Board \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

List committees and activities involved in with the Reno/Sparks Association of REALTORS®

\_\_\_\_\_

\_\_\_\_\_

Please write an explanation as to the reasons you wish to be on the Professional Standards Committee.

\_\_\_\_\_

\_\_\_\_\_

What do you hope to see accomplished if appointed to the committee? \_\_\_\_\_

\_\_\_\_\_

Other comments \_\_\_\_\_

**4.11.1.4 Professional Standards Procedures**  
**Addendum to Code of Ethics & Arbitration Manual**

**Ethics**

1. Subject to the agreement of the Complainant, an ethics complaint maybe processed under the expedited procedures as outlined in Section 20 Items j - q.
2. The Association shall, and any party may, at his own expense, have a court reporter or recorder present at the hearing, or may tape record the proceeding, and, if transcribed, shall present a copy to the Chief Executive Officer.  
The Association's tape recording or transcription shall be considered the official record of the proceeding. Copies of any official recording may be requested in writing up to the date of affirmation at the Board of Directors.
  - a. The cost of a duplicating a tape shall be \$37.50 per tape.
  - b. Parties requesting a duplicate of the tape must agree in writing that they understand that the tapes may be used only for the purpose of appeals and rehearing. Further, if a party purchases a copy of the official record and subsequently has it transcribed, at his own expense, the party must provide a copy of the transcript to the Association at no cost.
  - c. Tapes of proceedings shall be destroyed one year following affirmation of the decision by the Board of Directors or upon compliance with the sanction imposed whichever is later, provided there is no threat of litigation by the parties against the Association.
3. The Association shall not impose an administrative processing fee against respondents found in violation of the Code of Ethics.
4. Hearing panels of ethics complaints shall be provided with the complaint and response not less than 15 days prior to the scheduled hearing.
5. The Association shall publish quarterly a Code of Ethics activity report in a similar ~~the~~ format of as Form #E-17 of the *Code of Ethics and Arbitration Manual*. In accordance with Section 23(n) of the *Code of Ethics and Arbitration Manual*, if a respondent is found in violation of the Code of Ethics a second time within three years, the respondent's name, the fact that the respondent has been found in violation of the Code of Ethics, the Article(s) violated, and the discipline imposed will be published in the Association electronic newsletter. Such publication shall not include the name of the firm the respondent is (or was) licensed or affiliated with. 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.  
(Implementation effective 1/1/2000).
6. Those members of the Board of Directors eligible to affirm ethics decisions shall be provided with a copy of the decision with any reference to the parties, ~~or~~ subject property, or panel members removed.
7. As deemed necessary and at the discretion of the Chief Executive Officer, should either party be represented by counsel at an ethics hearing, Association counsel shall also be present at the hearing.

**Arbitration**

1. Mediation is offered as a service of the Association. In the event mediation is unsuccessful, and the parties chose to arbitrate the dispute, the mediation fees paid by

- the parties shall be applied toward the deposit required for arbitration. (Reference Policy 4.11.1.5 Mediation)
- 2 The Reno/Sparks Association of REALTORS® shall provide voluntary arbitration circumstances described in Part Ten – Arbitration of Disputes, Section 44 Duty and Privilege to Arbitration (4), (5), and (6) of the *Code of Ethics and Arbitration Manual*.
  - 3 Arbitration shall not proceed unless a signed Response and Agreement to Arbitrate form and deposit has been received from the respondent. Requests for Arbitration and subsequent Response and Agreement to Arbitrate must be accompanied by a \$100 filing fee from the claimant and the respondent. The deposits of the parties shall be used to cover the costs of the arbitration as it may be required. Any portion not used specifically to cover the cost of arbitration shall go into the general operating fund of the Association.
  - 4 Hearing panels of arbitration requests shall be provided with the complaint and response not less than 15 days prior to the scheduled hearing.
  5. In accordance with Section 53(b), if a procedural review is not requested within 20 days of the arbitration panel's decision, the award becomes final and binding upon the parties. The award shall be in accordance with the arbitration panel's decision and shall be directly disbursed between the parties.
  6. Part Eleven – Inter-board Arbitration Procedures
    - a. In the event of an inter-board (intra-state) arbitration, the Request for Arbitration shall be accompanied by a deposit of \$100.00
    - b. In the event of an inter-board (inter-state) arbitration, the Request for Arbitration shall be accompanied by a deposit of \$250.00
    - c. Within five days after the inter-board arbitration panel has been formed, the Chief Executive Officer shall send a copy of the arbitration request to the respondent, informing the respondent that he may file a written response with the Chief Executive Officer.
  7. As deemed necessary and at the discretion of the Chief Executive Officer, should either party be represented by counsel at an arbitration hearing, Association counsel shall also be present at the hearing.

#### Mediation in disputes REALTOR® to REALTOR®

1. Mediation of arbitration disputes shall be offered as a service of the Association.
2. It shall not be necessary for a Request for Arbitration to be filed in order to initiate mediation. In the event mediation is unsuccessful, the parties may at their option file a Request for Arbitration.
3. Upon receipt of a Request for Arbitration, initiation of mediation proceedings shall be at the instigation of the Chief Executive Officer who will inquire whether the parties desire to participate in mediation prior to review by the Grievance Committee in accordance with Appendix VI, Part Ten Option 2 of the Code of Ethics and Arbitration Manual.

#### **Appeals**

1. In accordance with Statement of Professional Standards Policy #33, a panel three (3) members of the Board of Directors shall be appointed by the President in all instances where an appeal is called for in accordance with the *Code of Ethics and Arbitration Manual*.
2. In accordance with Section 25 and 50, if the Board of Directors has reason to believe that the imposition of a proposed sanction will become the basis of litigation and a claim for damages, it will specify that the discipline become effective upon entry of the final

judgment of a court of competent jurisdiction in a suit by the Board of declaratory relief declaring that the discipline proposed violates no rights of the member.

3. The fee for filing an appeal of ethics decision or arbitration procedural review shall be \$100.00.

Approved by Bylaws & Policy: 8/26/08

Approved by Board of Directors: 8/28/08