PROFESSIONAL STANDARDS POLICY MANUAL OF THE CHICAGO ASSOCIATION OF REALTORS®

Adopted: April 8, 2026

Supersedes: Prior Association Professional Standards policy statements and local policy memoranda to the extent inconsistent with this Manual.

Chicago Association of REALTORS®
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Chicago, Illinois 60611
312.803.4900
www.chicagorealtor.com

Board Resolution for Adoption

WHEREAS, the National Association of REALTORS® (NAR) Code of Ethics and Arbitration Manual (CEAM) identifies areas requiring local Board/Association action; and

WHEREAS, the Chicago Association of REALTORS® (the "Association") seeks to ensure consistent, fair, and transparent administration of Professional Standards processes;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors adopts this Professional Standards Policy Manual, including Appendix A (Citation Schedule of Fines), Appendix B (Local Citation Policy), Appendix C (Multi-Board/Association Professional Standards Enforcement Procedures), and authorizes the Professional Standards Administrator to implement the procedures described herein, consistent with CEAM and applicable law.

Date: ___________________________

Authority, Purpose, and Scope

Authority. This Manual is adopted pursuant to the CEAM and the Association's governing documents.

Purpose. This Manual establishes administrative procedures for ethics, arbitration, mediation, interboard arbitration, appeals/procedural reviews, and citation enforcement that are in addition to the procedures set forth in the CEAM.

Scope. This Manual applies to all Professional Standards matters administered by the Association.

Required Local Inserts

Association Name: Chicago Association of REALTORS®

State: Illinois

Implementation of Areas Requiring Board/Association Action Under the Code of Ethics and Arbitration Manual

Section 1: General Provisions

1.1 This Manual is formally adopted by the Chicago Association of REALTORS® ("Association") in accordance with the CEAM. The purpose of this manual is to establish a consistent and transparent framework for the administration, enforcement, and oversight of ethics and arbitration matters within the jurisdiction of the Association. In the event of a conflict between this Manual and the CEAM, the provisions of the CEAM govern.

1.2 The Association affirms its decision not to adopt a policy regarding the publication of the names of members who are found to have violated the Code of Ethics. This decision aligns with the Association's values of rehabilitation and education over public admonishment. (2026 CEAM - Page 24).

1.3 An administrative processing fee of $500.00 shall be assessed in all cases where a member is found to be in violation of the Code of Ethics or other membership duties. This fee is intended to cover the costs associated with the administration and adjudication of ethics proceedings and is in addition to any other fees and sanctions that may be imposed under this or the CEAM. (2026 CEAM - Page 37).

1.4 During ethics and arbitration hearings, all testimony shall be either sworn or affirmed in accordance with legal standards.

1.5 The Association shall record the proceedings. The parties are not allowed to record proceedings. Court reporters are generally not allowed; limited exceptions may be approved only in consultation with the Association's General Counsel and staff. If permitted, the cost for the court reporter will be at the requesting party's expense. If a party utilizes a court reporter and orders a transcript, a copy of the transcript shall be made at the party's expense and provided to the Professional Standards Administrator. Videotaping is not permitted except with the advance express consent of the parties and the panelists. Any and all recording should be conducted in accordance with state law. Copies of any recordings and transcripts may be used only for the purpose of appeals or procedural reviews. Appeals and limited procedural reviews shall not be recorded by the Association or the parties. (2026 CEAM - Page 139).

1.6 After a hearing before the Professional Standards Committee as provided hereinafter, the Directors may take disciplinary action on a member being convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of a felony or a crime involving moral turpitude; on a member being determined by a court of competent jurisdiction, or official of the State of Illinois authorized to make the determination, as having violated a provision of the Illinois real estate law or a regulation of the Illinois real estate licensing authority (The Illinois Department of Financial and Professional Regulation); or on a final judgment or determination by a court of competent jurisdiction or by an authorized federal, state, or local official that a member has violated the federal, state, or local fair housing law. (2026 CEAM - Page 35).

Section 2: Committees and panels

2.1 **Grievance Committee**

- The Committee shall be composed of 15 – 20 members at-large, in good standing, selected by the Chairperson and Vice Chairperson. (2026 CEAM - Page 39, 143).
- The Chairperson shall be appointed by the President, with the approval of the Board of Directors. The Vice Chairperson shall be appointed by the President-Elect. Any candidate for Chairperson must have a minimum of one completed term of current Grievance Committee service. The advice of the assigned staff liaison should be solicited early in the appointment process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.(CAR Policy Manual)
- Sub-panels of the Grievance Committee may be convened under special circumstances, as determined by the Committee Chair, in consultation with the Professional Standards Administrator. Three or more members shall constitute a panel of the Grievance Committee that can act on behalf of the Grievance Committee. The decision of the panel shall be final and binding and shall not be subject to further review by the full Committee, except as otherwise provided in the CEAM. (2026 CEAM - Page 24).

2.2 **Professional Standards Committee**

- The Committee shall be composed of 50 - 75 members, at-large, in good standing, selected by the Chairperson and Vice Chairperson. (2026 CEAM - Page 37, 141).
- The Chairperson shall be appointed by the President, with the approval of the Board of Directors. The Vice Chairperson shall be appointed by the President-Elect. Any candidate for Chairperson must have a minimum of one completed term of current Professional Standards Committee service. The advice of the assigned staff liaison should be solicited early in the appointment process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson. (CAR Policy Manual)

- Sub-panels of the Professional Standards Committee may be convened under special circumstances, as determined by the Committee Chair, in consultation with the Professional Standards Administrator. Three or more members shall constitute a panel of the Professional Standards Committee that can act on behalf of the Professional Standards Committee. The decision of the panel shall be final and binding and shall not be subject to further review by the full Professional Standards Committee, except as otherwise provided in the CEAM. (2026 CEAM - Page 24).
- **The Citation Panel:** The Citation Panel is a subcommittee of the Professional Standards Committee and reviews complaints to determine eligibility for the citation program and the appropriate citations. (CAR Policy Manual)
  - The Citation Panel shall be composed of three to nine members appointed by the Chairperson of the Professional Standards Committee.
  - The Chairperson of the Professional Standards Committee shall designate one of the members of the Citation Panel to serve as Chairperson of the Citation Panel. Members of the Citation Panel must have same qualifications that apply to members of the Professional Standards Committee and have a high level of experience in hearing professional standards cases. The Citation Panel members shall serve for a term of one year.

2.3 **Use of panels in place of the Board of Directors**

- Five Directors or a quorum of the Board of Directors, whichever is less, shall constitute a panel of the Board of Directors that can act on behalf of the Board of Directors. The decision of the panel (or Executive Committee) shall be final and binding and shall not be subject to further review by the full Board of Directors, except as otherwise provided in the CEAM. (2026 CEAM - Page 133).
- The Association are also authorized to adopt policies and procedures assigning Grievance Committee functions to a panel of the Professional Standards Committee. Where Grievance Committee functions are delegated to a panel of the Professional Standards Committee, all provisions of the CEAM applicable to Grievance Committees will apply to a panel of the Professional Standards Committee acting in that capacity. Three (3) or more members shall constitute a panel of the Professional Standards Committee to assume the responsibilities of the Grievance Committee. (2026 CEAM - Page 133).
- The President may appoint a panel of Directors, acting on behalf of the Board of Directors, to hear an appeal or the request for procedural review. Any appeal panel so appointed must be composed of at least five Directors or a quorum of the Board of Directors, whichever is less. Alternatively, the appeal may be heard by the Board's Executive Committee. The decision of the appeal panel or Executive Committee is final and not subject to further review by the Board of Directors. (2026 CEAM - Page 147).

Section 3: Arbitration and Ethics Hearings

3.1 **Scheduling Hearings and Postponement Requests**

- To schedule a hearing, the Association shall use the following procedures:
  - The Association administrator shall select three potential dates for the hearing and notify the parties of those dates. Within one week of receiving notice of those dates, each party must respond, and may strike one, and only one, of the three potential dates. In the event that a party does not respond within this deadline or

strikes more than one potential date, they will be deemed to have waived their rights to object to a date chosen by the Association administrator.
    - The Association administrator will schedule the hearing on one of the three potential dates that neither party has objected to.
- The authority to reschedule a hearing once a date is scheduled shall rest with the Chairperson of the respective Hearing Panel.
- It is the responsibility of the parties to manage their own schedules in a manner that ensures their attendance on the date of the hearing.

3.2 **Timing of Complaint and Request Distribution**

- Ethics complaints and arbitration requests shall be distributed to the respective Hearing Panel members upon confirmation of the panel's formation. (2026 CEAM - Page 47, 148).

3.3 **Delegation of Director Authority**

- When the entire Board of Directors is not available, a panel of five Directors may act on behalf of the Board when permitted by the CEAM, including for appeals, procedural reviews, and other Board-action items identified in CEAM local options. (2026 CEAM - Page 133).

3.4 **Appeals and Deposits**

- A deposit of $500.00 shall accompany any requests for appeal (ethics) and requests for procedural review (arbitration), consistent with CEAM. (2026 CEAM - Page 49, 153).
- Appeals and procedural reviews shall be conducted by a designated subset of the Board of Directors, selected in accordance with the Association’s procedures.

3.5 **Repeat Violations**

- The Association shall not publish the names of individuals who are found to have violated the Code of Ethics on two occasions within a three-year period.

3.6 **Administrative Processing Fee**

- A $500.00 administrative processing fee shall be assessed when a respondent is found in violation of the Code of Ethics, or other membership duties, by an Ethics hearing panel of the Professional Standards Committee. The administrative processing fee is in addition to any other fees and sanctions that may be imposed under this or the CEAM.

Section 4: Duty to Arbitrate and Mediation

4.1 The Association shall provide mandatory and voluntary arbitration services within the scope outlined by the CEAM. Voluntary arbitration services are contingent upon the REALTOR®’s voluntary participation (2026 CEAM - Page 129, 157).

4.2 Prior to the filing of a formal arbitration request, the Association shall provide all disputing parties with an opportunity to engage in mediation. This step is encouraged as a means of resolving disputes amicably and efficiently.

4.3 All REALTORS® who are principals in a real estate transaction are required to mediate otherwise mandatory arbitration disputes pursuant to Article 17 prior to a formal arbitration hearing, as supported by the Association's governing documents.

4.4 In cases where mediation results in the successful resolution of a dispute, the entirety of the requesting party's filing deposit or a portion of the arbitration filing fee may be refunded to the parties, as determined by the Professional Standards Administrator and/or the Arbitration Panel.

4.5 The Professional Standards Administrator shall refer the request for arbitration to the Chairperson of the Grievance Committee for determination by the Committee at the next standing committee meeting, or within 30 days, as to whether the matter is subject to arbitration.

4.6 The Grievance Committee may request the party(ies) named as respondent(s) in the request for arbitration to provide the Grievance Committee with a written response to the request for arbitration within fifteen (15) days only if the committee is in need of additional information pertaining to the questions in Section 42, Grievance Committee's Review and Analysis of a Request for Arbitration, and the complainant cannot provide such information. If no response is filed within fifteen (15) days from transmittal of the request for the response, the Grievance Committee shall make its determination as to whether an arbitration hearing should be scheduled based upon the information set forth in the request for arbitration. (2026 CEAM - Page 148).

4.7 The judgment of any competent court of record in Illinois, state or federal, may be rendered upon the award. If a member fails to comply with an award or the terms of a mediated settlement agreement, the recipient to whom the award has been rendered by the arbitration panel or the beneficiary of a settlement agreement reached by the parties in mediation shall be advised by the Board to seek judicial enforcement and to request reimbursement of legal fees incurred in seeking enforcement. At the discretion of the Board of Directors, the Board may support the request for judicial enforcement in the court, and at its further discretion, the Board may reimburse the individual for costs incurred in seeking such judicial enforcement if the court does not grant reimbursement of legal costs to the plaintiff. (2026 CEAM - Page 154).

Section 5: Arbitration Fees and Procedures

5.1 A filing deposit of $500.00 is required from all parties requesting arbitration. This fee must accompany the Request and Agreement to Arbitrate from the party requesting arbitration. (2026 CEAM - Page 148,150).

5.2 Where parties successfully mediate an otherwise arbitrable dispute, their arbitration filing fees will be refunded. (2026 CEAM - Page 153).

5.3 In the event where mandatory mediation results in the unsuccessful resolution of a dispute, the respondent shall deposit a fee of $500.00 within 15 days of the date of the unsuccessful mediation to The Association. (2026 CEAM - Page 149).

5.4 The Association shall permit parties to engage in settlement discussions immediately prior to entering executive session. If a resolution is reached, the panel may authorize a partial refund of the arbitration filing fees. (2026 CEAM - Page 153).

5.5 The prevailing party in the arbitration proceeding shall be refunded the entirety of their filing deposit. If the award is divided or otherwise split between the parties, the Arbitration Panel shall determine the appropriate portion of the deposit to be refunded to each party.

Section 6: Interboard Filings

6.1 A filing fee of $500.00 shall be required for all interboard arbitration matters. No fees are assessed for Interboard ethics filings

6.2 The Professional Standards Administrator shall follow the procedures set forth in the MULTI-BOARD/ASSOCIATION PROFESSIONAL STANDARDS ENFORCEMENT PROCEDURES for any disputes requiring arbitration between members having no commonality of Association membership or MLS participation. (Appendix C) (2026 CEAM - Page 148).

6.4 The composition and responsibilities of interboard arbitration panels and review tribunals shall be consistent with the procedural framework outlined in MULTI-BOARD/ASSOCIATION PROFESSIONAL STANDARDS ENFORCEMENT PROCEDURES.

Section 7: Specimen Forms and Administrative Procedures

7.1 Responses to requests for information related to ethics or arbitration must be submitted within fifteen calendar days from the date of request and must include five copies of the response documentation.

7.2 All notices, replies, procedural outlines, and forms relevant to hearings, appeals, and grievance proceedings shall adhere to the established fee schedules, timelines, and administrative protocols outlined in this document.

7.3 Any party intending to be represented by legal counsel must provide written notice no less than fifteen days prior to the hearing. Any challenges to the composition or qualification of an appeal or hearing panel must also be submitted within this timeframe.

Section 8: Educational and Supplemental Resources

8.1 The Association shall provide educational training and materials for new and existing members in accordance with NAR Professional Standards Policy Statements #47, #48, and #49. All training resources shall be accessible through https://www.nar.realtor/.

8.2 The Association may implement alternative enforcement and resolution procedures including the use of ombudsman services, mediation of ethics complaints, and appointment of hearing officers, in accordance with nationally recommended best practices.

Section 9: Policy References and Model Provisions

9.1 The Association adopts (a) the Citation Schedule of Fines in Appendix A, (b) the Local Citation Policy and Illinois REALTORS® Ethics Citation Program Confirmation of Agreement in Appendix B, and (c) the Multi-Board/Association Professional Standards Enforcement Procedures in Appendix C.

https://www.nar.realtor/about-nar/policies/nar-model-citation-policy-and-schedule-of-fines

9.2 Citations are administered as an alternative enforcement method consistent with CEAM, applicable law, and this Manual. In addition to the procedures outlined in this Manual and Appendix B for the Local Citation Policy, for allegations related to unauthorized access, the Citation Panel shall have the authority to substitute the Qualifying Violation from SOP 1-16 to SOP 3-9 or SOP 3-9 to SOP 1-16, as may be applicable.

9.3 The Associations hereby adopts the expedited "fast track" ethics administration procedures for receipt, consideration and resolution of ethics complaints as set forth in Section 20(f)-(q) in the CEAM.

https://www.nar.realtor/about-nar/policies/fast-track-supplement-to-ceam

Section 10: Annual Review

The Professional Standards policies and local options in this Manual shall be reviewed at least annually and updated for Board action as needed based on CEAM updates and applicable law.

Adopted by the Chicago Association of REALTORS®

Date: ________________________________

Appendix A

Chicago REALTORS® FY 2026 Model Citation Schedule of Fines

	Applicable Article and Standard of Practice	**Fine**
Article 1		
Failure to fully disclose and obtain consent from both parties when representing both the seller/landlord and buyer/tenant in the same transaction	Article 1, supported by Standard of Practice 1-5	**$1,500**
Failure to submit offers and counter-offers objectively and as quickly as possible	Article 1, supported by Standard of Practice 1-6	**$500**
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.	Article 1, supported by Standard of Practice 1-7	**$250**
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 counter-offer has been submitted to the buyers/tenants, or a written notification that the buyers/tenants have waived the obligation to have the counter-offer presented.	Article 1, supported by Standard of Practice 1-8	**$250**
Failure to advise sellers/landlords of information specified in Standard of Practice 1-12 prior to entering into a listing contract	Article 1, supported by Standard of Practice 1-12	**$1,000**
Failure to advise buyers/tenants of information specified in Standard of Practice 1-13 prior to entering into a buyer/tenant agreement	Article 1, supported by Standard of Practice 1-13	**$1,000**
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	Article 1, supported by Standard of Practice 1-16	**$2,500**

Article 3		
Failure to communicate a change in compensation for cooperative services prior to the time that REALTOR® submits an offer to purchase/lease the property	Article 3, supported by Standard of Practice 3-2	**$500**
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	Article 3, supported by Standard of Practice 3-2	**$500**
Failing to disclose existence of dual or variable rate commission arrangements	Article 3, supported by Standard of Practice 3-4	**$500**
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	Article 3, supported by Standard of Practice 3-4	**$500**
Failing to disclose existence of accepted offers, including offers with unresolved contingencies, to cooperating brokers	Article 3, supported by Standard of Practice 3-6	**$250**
Misrepresenting the availability of access to show or inspect a listed property	Article 3, supported by Standard of Practice 3-8	**$250**
Providing access to listed property on terms other than those established by the owner or the seller	Article 3, supported by Standard of Practice 3-9	**$2,500**
Article 4		
Failing to disclose REALTOR®'s present or contemplated interest in writing to all parties to the transaction.	Article 4	**$500**
Article 5		
Providing professional services without disclosing REALTOR®'s present interest in property	Article 5 (limited to present interest, not contemplated)	**$500**

Article 6		
Accepting any commission, rebate, or profit on expenditures without client's knowledge or consent	Article 6 (first paragraph)	**$500**
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	Article 6 (second paragraph)	**$500**
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	Article 6, supported by Standard of Practice 6-1	**$500**
Article 12		
Failing to present a true picture in real estate communications and advertising	Article 12	**$250**
Failing to disclose status as real estate professional in advertising and other representations	Article 12	**$250**
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	Article 12, supported by Standard of Practice 12-1	**$250**
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	Article 12, supported by Standard of Practice 12-3	**$250**
Advertising property for sale/lease without authority of owner or listing broker	Article 12, supported by Standard of Practice 12-4	**$500**
Failing to disclose name of firm in advertisement for listed property	Article 12, supported by Standard of Practice 12-5	**$250**
Failing to disclose status as both owner/landlord and REALTOR® or licensee when advertising property in which REALTOR® has ownership interest	Article 12, supported by Standard of Practice 12-6	**$500**
Falsely claiming to have "sold" property	Article 12, supported by Standard of Practice 12-7	**$250**

Failure to take corrective action when it becomes apparent that information on a REALTOR®'s website is no longer current or accurate	Article 12, supported by second sentence of Standard of Practice 12-8	**$250**
Failure to disclose firm name and state of licensure on REALTOR® firm website	Article 12, supported by Standard of Practice 12-9	**$250**
Misleading consumers through deceptive framing, manipulating content, deceptively diverting internet traffic, presenting other's content without attribution or permission, or using misleading images	Article 12, supported by Standard of Practice 12-10	**$250**
Registering or using of deceptive URL or domain name	Article 12, supported by Standard of Practice 12-12	**$500**
Representing that the REALTOR® has a designation, certification, or other credential they are not entitled to use	Article 12, supported by Standard of Practice 12-13	**$500**
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	Article 14	**$500**
Article 16		
Conditioning submission of a buyer's offer on additional compensation from a listing broker	Article 16, supported by Standard of Practice 16-16	**$500**
Placing for sale/lease sign on property without permission of seller/landlord	Article 16, supported by Standard of Practice 16-19	**$250**

Updated July 29, 2025 (underscoring indicates additions)

ETHICS CITATION PROGRAM

The Association has adopted a Citation Policy that allows Complaints to be filed on specific Articles of the Code of Ethics of the National Association of REALTORS®. If a potential violation of one or more of these specific Articles has occurred, a REALTOR® or a consumer can file a Citation complaint.

Citation complaints must be typewritten or clearly handwritten and submitted along with an Citation Complaint Form citing only Articles 1, 3, 4, 5, 6, 12, 14, and/or 16 and only facts covered under certain Standards of Practice within the aforementioned Articles. Please see the Qualifying Violation document for a description of the qualifying Articles and Standards of Practice. Sufficient documentation and dates must be included. The complaint must be filed within 180 days of the alleged event and must provide documentation of when the event occurred.

Citation complaints can be filed anonymously. It is important to remember that clear evidence of a violation must be submitted with an anonymous complaint. Unsupported complaints cannot be processed.

Ethics Citation Process

Staff shall review the complaint to determine if it includes allegations that are covered by the Qualifying Violations.

If the complaint does not include allegations covered by the Qualifying Violations, or it includes a mixture of those that are covered by the Citation Schedule and those that are not, the complaint shall be processed according to the procedures set forth in the most current NAR *Code of Ethics and Arbitration Manual*.

If the complaint includes only allegations covered under the Qualifying Violations, the Citation Panel will proceed as follows:

The Citation Panel will review the information presented in the complaint and, taking all information in the complaint as true on its face, determine if there would be a potential violation of the Code of Ethics. The Citation Panel will not be permitted to add respondents or additional articles of the Code of Ethics at this stage in the proceedings.

If the Citation Panel determines there is not a potential violation, the complaint shall be dismissed according to the procedures set forth in the most current NAR *Code of Ethics and Arbitration Manual*, preserving the Complainant's right to appeal the dismissal, provided the complaint was not filed anonymously.

If the Citation Panel determines there is a potential violation of the Code of Ethics, it shall issue a citation to the Respondent, which shall include the fine(s) as established by the Qualifying Violations.

Issuance of Citations:

The citation will be sent to the Respondent via email, as well as to the managing broker of the Respondent's office.

A copy of the complaint will be provided to the Respondent and the identity of the Complainant will be provided if the complaint was not filed anonymously.

The Respondent will have thirty (30) days from receipt of the citation to provide notice as to whether the Respondent will accept the citation and pay the fine, or whether the Respondent requests a full hearing on the complaint. Failure to respond within the thirty (30) days will be deemed as acceptance of the citation.

If the Respondent requests a hearing and the complaint was filed anonymously, the Citation Panel will become the complainant and a member of the Citation Panel will attend the hearing to present the complaint.

Written acceptance of the citation on the form provided by a Respondent shall be deemed to be a final resolution of the complaint, which shall not be appealable or subject to any further review.

If the Respondent accepts the citation, payment must be received no later than thirty (30) days after the date of acceptance. a. The case will be deemed to be closed upon receipt of payment, and notice will be provided to the Complainant, if known, that the citation(s) has been issued and paid.

Failure to pay the citation amount within thirty (30) days will result in the automatic suspension of membership and MLS services until the citation has been paid.

If the Respondent requests a hearing, the complaint shall be sent to the Grievance Committee for a full review as though it were a new complaint.

Limitations:

There is a limit for an individual Realtor® as to the number and type of citations that he/she may receive, according to the following rules:

1. No more than two citations within a consecutive twelve (12) month period, starting on the date the first complaint was filed.
2. No more than three citations within a consecutive twenty-four (24) month period, starting on the date the first complaint was filed.
3. No more than two citations for the same Article and Standard of Practice within five (5) years.

If another complaint is filed against the same Respondent arising out of the same transaction or event covered under a previous citation issued and paid, the complaint will not be considered by the Citation Panel. The Complainant, if known will be informed that the Respondent has already been cited for the same offense.

Should an individual Respondent exceed the limits set forth in subsection A of this Section, any further complaints will be processed as a complaint following procedures set forth in the most current NAR Code of Ethics and Arbitration Manual. The program administrator will review the citation history of a Respondent to determine eligibility, and if the Respondent is not eligible to receive a citation, the complaint will be forwarded to the Grievance Committee with a notation that the complaint is not covered by the Qualifying Violations. If the complaint was filed anonymously, the Citation Panel will become the complainant and a member of the Citation Panel will attend the hearing to present the complaint.

Citation violations are subject to being published according to the rules adopted by the association for ethics violations.

Where a Hearing Panel has found a violation of the Code of Ethics after a hearing, it will consider past citations paid by the Respondent within the last three (3) years in establishing a sanction.

The program administrator will review the citation history of a Respondent to determine eligibility, and if the Respondent is not eligible to receive a citation, the complaint will be forwarded to the Grievance Committee.

The Program Administrator will track the number of citations issued, the number of citations paid, and the violations for which citations are issued. This information may be provided in the aggregate to the IAR Board of Directors or to the local associations, but will not include details about the complaints nor identify the Respondents.

ILLINOIS REALTORS® ETHICS CITATION PROGRAM
CONFIRMATION OF AGREEMENT

WHEREAS, Illinois REALTORS® administers its statewide Ethics Citation Program associated with Illinois REALTORS® Professional Standards Enforcement Procedures.

WHEREAS, Chicago Area Association of REALTORS® (CAR) is a local association of REALTORS® that generally administers its own professional standards programs, including a CAR-administered Ethics Citation Program.

WHEREAS, There are instances when an ethics citation complaint is filed against a CAR member through the Illinois REALTORS® Ethics Citation Program, and not the CAR-administered Ethics Citation Program.

WHEREAS, Illinois REALTORS® and CAR wish to confirm their respective understanding and agreement related to the administration and enforcement of Ethics Citation complaints when they are filed through Illinois REALTORS®.

Be it RESOLVED therefore, that:

1. When an Ethics Citation is filed through the Illinois REALTORS® Ethics Citation program against a CAR member; and the allegations are those constituting Qualifying Violations under the Illinois REALTORS® Ethics Citation Program, Illinois REALTORS® will administer the citation complaint according to Illinois REALTORS® stated procedures. Illinois REALTORS® will notify CAR of the results and any discipline imposed on the CAR member. Discipline includes the right to fine, place on probation, suspend or expel a REALTOR® from CAR. CAR expressly confirms its agreement and directs Illinois REALTORS® to handle these cases to completion.

2. When an Ethics Citation is filed through Illinois REALTORS® against a CAR member under the Illinois REALTORS® Ethics Citation Program and the allegations contained therein are outside the scope of Qualifying Violations under the Illinois REALTORS® citation program, Illinois REALTORS® expressly confirms its agreement to forward the matter to CAR for administration. Illinois REALTORS® will take no further action.

IN WITNESS THEREOF, Illinois REALTORS® and the Chicago Area Association of REALTORS® confirm and agree on this ___________ day of 6/22/2021 ____________________, 2021.

Illinois REALTORS®

By: DocuSigned by: Susan Miller 1A93851EEBA5455 ______________________
Sue Miller, President

By: DocuSigned by: Jeffrey T. Baker F5D8FC8A8B1F4B4... ______________________
Jeffrey T. Baker, CEO

Chicago Area Association of REALTORS®

By: DocuSigned by: Nykea Pippion McGriff DAC87176F5C2495... ______________________
Nykea Pippion McGriff, President

By: DocuSigned by: [signature] 9031B98169D247C... ______________________
Michelle Mills Clement, CEO

Appendix C

AGREEMENT BETWEEN

Belvidere Board of REALTORS®
Chicago Association of REALTORS®
Heartland REALTOR® Organization
Kankakee-Iroquois-Ford Association of REALTORS®
Mainstreet Organization of REALTORS®
Northern Illinois Commercial Association of REALTORS®
North Shore-Barrington Association of REALTORS®
Oak Park Area Association of REALTORS®
REALTOR® Association of the Fox Valley, Inc.
Three Rivers Association of REALTORS®

TO ESTABLISH MULTI-BOARD/ASSOCIATION PROFESSIONAL STANDARDS ENFORCEMENT PROCEDURES

Except as provided for otherwise in this agreement the policies and procedures established in the National Association's Code of Ethics and Arbitration Manual will control.

ARTICLE I. AUTHORITY

Section A. The authority for the establishment of Multi-Board/Association Professional Standards Enforcement Procedures shall be established by this Agreement approved by the Boards of Directors of each signatory Board/Association.

ARTICLE II. GEOGRAPHIC AREA

Section A. 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/Associations which are signatories to this Agreement.

ARTICLE III. PURPOSE

Section A. Purpose of this Agreement is to create Multi-Board/Association Professional Standards Enforcement Procedures providing for the appointment of Mediation Officers and the establishment of a joint Grievance Committee, Professional Standards Committee, and Appeal or Procedural Review Panel comprised of members from signatory Boards/Associations for enforcement of the Code of Ethics, including the mediation of disputes and the conduct of arbitration hearings, involving members of the signatory Boards/Associations 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/Associations on an efficient and effective basis to better serve their members.

ARTICLE IV. COMPOSITION OF TRIBUNALS

Section A. This Agreement authorizes the establishment of a Multi-Board/Association Grievance Committee. The Multi-Board Grievance Committee shall be composed of ~~at least~~ five (5) members from the signatory Boards/Associations. There must be at least three (3) members to serve per case.

Nothing herein shall preclude a Multi-Board/Association Grievance Committee to consist of all neutral members, if deemed necessary by the Board/Association.

Section C. Members of the Multi-Board Grievance Committee from each signatory Board/Association shall be in good standing, appointed by the Presidents of the respective Boards/Associations, subject to confirmation by the respective Boards of Directors, provided that the President shall have the power to appoint, on a timely basis, and without necessity of confirmation by the Board of Directors, a substitute member to the Committee for any member from their respective Boards/Associations who may be unable to serve for any reason.

Section D. There must be at least eighteen (18) 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.

Section E. This Agreement also authorizes the establishment of a Multi-Board Professional Standards Committee. The members of the Professional Standards Committee shall be in good standing, appointed by the Presidents of the respective Boards/Associations, 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 Board of Directors, a substitute member to the Committee for any member from their respective Boards/Associations who may be disqualified for any valid reason from hearing a particular matter.

Section F. A Multi-Board Professional Standards hearing panel shall be composed of ~~at least~~ five (5) members from the signatory Boards/Associations. Nothing herein shall preclude a Multi-Board/Association Professional Standards Committee Hearing Panel to consist of all neutral members, if deemed necessary by the Board/Association. There must be at least three (3) members to serve per case.

Section G. Staff at the Board/Association administering the ethics or arbitration process will ask one of the panel members who is not associated with either the Complainant's or Respondent's Board/Association to be the Chairperson of the ethics or arbitration hearing.

Section H. There must be at least thirty (30) individuals serving on the Multi-Board/Association Professional Standards 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.

Section I. 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). Members of the Committees shall be eligible for reappointment.

Section J. 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/Association. Although utilization of the service of mediation shall be voluntary (unless required by an individual Board/Association), 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. There shall be only one Mediator per case, and the Mediator shall not be a member of either the Complainant's or Respondent's Board/Association.

Section K. Cases involving non-residential properties must have tribunals composed of those who specialize in non-residential properties.

Section L. Any individual, pursuant to Board of Choice, who participates in MRED, LLC but who is not a member of any of the signatory Boards/Associations will have the Boards/Associations through which he or she makes application to participate in MRED, LLC be considered as the party's Board.

ARTICLE V. OPERATION

Section A. The filing and handling of all documents will be through the Complainant's Board/Association. The Complainant's primary Board/Association staff in which the Complainant is a primary member, or Complainant's primary Board/Association staff through which the Complainant, pursuant to Board of Choice, makes application to participate in MRED, LLC, will handle all necessary paper work. The hearing will take place at the Complainant's primary Board/Association or through the Board/Association which the Complainant, pursuant to Board of Choice, makes application to participate in MRED unless staff negotiates with another Board/Association staff to take over a particular case. The Board/Association handling the filing may, at their discretion, compensate Multi-Board Committee members for travel expenses that they incur for volunteering to preside over a particular case.

1. If the Respondent is a secondary member of the Complainant's Board/Association, or makes application to participate in MRED through the Complainants Board/Association, the

complaint will not be handled through the Multi-Board/Association Agreement. It will be considered in the Complainant's primary Board/Association, unless requested by the one or both of the parties and to be determined by staff otherwise to be heard by a Multi-Board/Association hearing panel.

2. Should the Respondent terminate their secondary membership at any time during the course of the Professional Standards process, the Respondent's primary Board/Association will handle the continued processing of the complaint and any sanctions as a result.

Section B. 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/Association signatory to this Agreement.

The Complainant's primary Board/Association, or the Board/Association through which the Complainant gains access to and use of MLS will be responsible for administrating the procedures and all optional provisions (see page i and ii of the National Association of REALTORS® *Code of Ethics and Arbitration Manual*) of that Board/Association will control.

1. The Grievance Committee will hold regularly-scheduled meetings or, alternatively will meet often enough to ensure timely review of all ethics complaint and arbitration requests, as needed.
2. The Grievance Committee may render their decision on an Arbitration request or an Ethics complaint through a conference call, via webcam/web meeting, or other telecommunication methods.
3. Only the Ethics complaint or Arbitration request will be sent to the Grievance Committee. The Grievance Committee may, if it deems it appropriate, send a copy of the complaint/request to the party complained of and require the Respondent to furnish a response before the Grievance Committee makes its determination.
4. Notification of a complaint must be given to the other Board/Association via e-mail upon receipt of a written complaint/request.

Section C. Appeal to an ethics, arbitration, and Multi-Board Grievance determination rendered by the Multi-Board Professional Standards Committee or Grievance Committee shall be heard by members of the respective Committees who did not comprise the original hearing panel or Grievance Committee tribunal. (For this reason, there should be an adequate number of members appointed to the respective Committees to provide an Appeal panel of at least five (5) members.) An appeal panel must be comprised of at least five (5) members of the Multi-Board Professional Standards Committee or Multi-Board Grievance Committee.

Section D. 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 their primary Board/Association Professional Standards Administrator to be held in an escrow account maintained for this purpose. Failure to satisfy the award or to deposit the funds in the escrow or trust account 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 of the party(ies) primary Board/Association of REALTORS®.

Afer the award has been transmitted to each of the parties, they have twenty (20) days to request procedural review of the arbitration hearing procedure by a hearing panel of the Multi-Board Professional Standards Committee who did not comprise the original hearing panel. The non-prevailing party shall also have the same twenty (20) days following transmittal of the award to notify the Professional Standards Administrator that a legal challenge to the validity of the award has been initiated.

If no such procedural review is requested, the award becomes final and binding following the twenty (20) day period. However, if the procedural review is requested, the award is not considered final and binding until after a hearing panel of the Multi-Board Professional Standards Committee has concluded that the hearing was conducted in a manner consistent with the Board's procedures and the parties had been afforded due process.

If a request for procedural review of the arbitration procedure is received within twenty (20) days, the funds deposited shall be retained in the escrow or trust account until the review is completed. If the arbitration award is confirmed by a hearing panel of the Multi-Board Professional Standards Committee following the conduct of the limited procedural review, the nonprevailing party shall have an additional fifteen (15) days from the transmittal of the hearing panel's decision to institute an appropriate legal challenge to the validity of the arbitration award. In such case, the nonprevailing party shall also have legal counsel to advise the Board/Association 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 from the transmittal of the hearing panel's decision, if a written notice of a suit challenging the validity of the arbitration award has not been received by the Board/Association, the funds shall be released from the escrow or trust account and paid to the prevailing party. The Board/Association conducting the procedural review is obligated to notify the party(ies) primary Board/Association holding the funds when to release the funds. If written notification is received during the fifteen (15) day period, the funds will be held in the escrow or trust account pending the determination of the matter by a court of competent jurisdiction.

If the nonprevailing party does not request the Board/Association to conduct a procedural review of the arbitration hearing process during the twenty (20) day period following service of the award, then written notification that a legal challenge has been instituted must be received within the twenty (20) days following service 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/Association's escrow to the prevailing party.

Any failure to make the necessary deposits with the Board/Association shall be referred to the Board of Directors of the nonprevailing party(ies) Board/Association 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.

Any interest accrued on the escrowed funds shall become the property of the party to whom the funds are ultimately released.

Section E. Appeal is not provided for the decision of an arbitration panel established under this Agreement, except with respect to a claim by a party alleging deprivation of due process. An appeal panel must be comprised of at least five (5) members of the Multi-Board/Association Professional Standards Committee (who were not on the original hearing panel. The Chair must be from a neutral Board/Association.

Section F. Final determination of an ethics hearing, when not appealed, must be approved by the Board of Directors of the Board/Association of the member found in violation in an ethics hearing. This is true even when no violation of the Code of Ethics has been found to have occurred. Any determination made by a hearing panel (whether appealed or not) as finally determined when appealed will be provided to the Respondent's Board/Association for implementation purposes only. The member's Board/Association will carry out the sanction, collect any fines and keep those fines for their treasury.

Section G. The hearing panel may call an attorney for advice during a hearing and the cost will be borne by the Board/Association where the hearing is taking place. A Hearing Panel Chairman's request for an attorney to be present at a hearing must be approved by all Boards'/Associations' Boards of Directors involved in the case (Complainant, Respondent, hearing panel members) along with an agreement of how the charges will be shared by the Boards/Associations.

Section H. In matters of alleged unethical conduct, any determination rendered by a hearing panel of the Multi-Board/Association Professional Standards Committee will be provided to each respective party's Board/Association of original jurisdiction for informational purposes.

Section I. In the event a Complainant alleges that the Respondent has improperly refused to submit a dispute to arbitration, the allegation shall be brought before a tribunal of five (5) members selected from the Multi-Board/Association Professional Standards Committee appointed by the President of the appellant's

Board/Association and chosen from the individuals who were not selected to serve on the original arbitration hearing panel (in accordance with Article IV, Section B above). The procedures for notices, time of notices, and hearing prescribed for matters before a hearing panel shall apply. Upon determination that the member has refused to arbitrate a properly arbitrable matter, the tribunal of (5) members selected from the Multi-Board/Association Professional Standards Committee, who did not serve on the original arbitration hearing panel, may direct implementation of appropriate sanction, including suspension or expulsion of the member from the local Board/Association. The decision of the tribunal of five (5) members selected from the Multi-Board/Association Professional Standards Committee shall be final and binding and is not subject to further review by the State Association or any signatory Board/Association to this Agreement.

ARTICLE VI. RESERVATION OF RIGHTS

Section A. It is understood and agreed by the Board's/Association's signatories to this cooperative Agreement that each Board/Association 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 cooperative Agreement.

Section B. These procedures will be used for all interboard arbitrations in place of Part Eleven, *Interboard Arbitration Procedures* in the Absence of Arbitration Facilities of the State Association, in the *Code of Ethics and Arbitration Manual.*

Section C. These procedures will be used for all ethics matters involving members from all signatory Boards/Associations.

Section D. It is further understood and agreed that any Board/Association signatory to this Agreement may withdraw from the Agreement at any time provided the withdrawing Board/Association shall provide notice to the other signatory Boards/Associations ninety (90) days in advance of the date of withdrawal.

ARTICLE VII. FEES

Section A. Each Board/Association shall determine the filing fee to be submitted by both the Complainant and Respondent. When a Complainant requests arbitration to determine which of multiple Respondents is entitled to disputed funds, or where a party makes no claim to the disputed funds, the Complainant may not be assessed an arbitration filing fee. Disposition of the parties' filing fees shall be determined by the hearing panel. Any filing fees retained by the Board/Association shall be used to cover hearing expenses.

Section B. Any costs incurred by a Multi-Board/Association Grievance Committee or Professional Standards Committee in ethics and arbitration proceedings shall be borne by the local Boards/Associations of the Complainant and Respondent and, in matters involving more than one Board/Association, as provided in the *Code of Ethics and Arbitration Manual* dealing with interboard arbitration.

SECTION VIII. EFFECTIVE DATE

This Agreement shall be effective on____________________, 20____

IN WITNESS THEREOF, the parties have hereto set their hands and seals on the ____________________day of________________________, 20__________.

The effective date of this Agreement for Multi-Board/Association Professional Standards Enforcement Procedures shall be______________________, 20____________.

ATTESTED BY

BOARD/ASSOCIATION OF REALTORS®

________________________________ ________________________________

(President) (Elected Secretary)

Date:_______________________, 20________

~~/u/wp/terry/region/Multibd.PS~~
~~March 18, 2002~~
~~September 23, 2002~~
~~January 10, 2003~~
~~July, 2003~~
~~August 2004~~
~~January 7, 2005~~
~~May 25, 2006~~
~~September, 2006~~
~~May, 2008~~
~~September, 2008~~
~~November, 2008~~
November 2016