

**Lexington - Buena Vista - Rockbridge
Association of REALTORS®**

**Professional Standards, Arbitration,
Mediation, and Grievance Policies**

Adopted by the Board of Directors
August 1, 2001

INCORPORATED BY REFERENCE

LBVR Bylaws

Several articles and sections of the LBVR Bylaws pertain to Professional Standards and Arbitration. In the event of any conflicts, Bylaws take precedence over policies.

NAR Manual

LBVR's Bylaws dictate that the Code of Ethics and Arbitration Manual of the National Association of REALTORS, as amended from time to time, is incorporated as part of the Bylaws.

In order to conform with local policy and state law, it shall be assumed that the names "Lexington - Buena Vista - Rockbridge Association of REALTORS" and "Virginia" have been inserted into the appropriate blanks as enumerated on pages *i* and *ii* of the Manual.

Specimen Forms

LBVR will use NAR's Specimen Forms, Checklists, Outlines, and Guides, as amended, with review by Association Counsel to assure that they conform to state law, and to conform to any special requirements established by the Board of Directors through these Policies.

GRIEVANCE Committee

Shall have at least 6 REALTORS in good standing

The President shall annually designate the Chairperson.

Members of the Grievance Committee shall not serve simultaneously as members of a hearing panel.

Subcommittees will consist of three members assigned by the Grievance Chairperson.

Any Committee member found in violation of the Code of Ethics shall be dismissed from the Committee for the remainder of their term.

Members of the Grievance Committee shall be appointed to 3 year terms.

Professional Standards Committee

There shall be a Professional Standards Committee which shall have at least 9 REALTORS in good standing. From this committee, hearing panel chairs will be chosen.

Hearing panel members will be drawn from the list of those qualified to serve.

The President shall annually designate the Chairperson.

Hearing panels will consist of 5 panel members and one alternate who will serve in the event a panel member can not attend the hearing.

Any Committee member found in violation of the Code of Ethics shall be dismissed from the Committee for the remainder of their term.

Members of the Professional Standards Committee shall be appointed to 3 year terms.

PROCEDURES

When the Grievance Committee acts as the Complainant in an ethics case, the Subcommittee Chairperson takes the case forward.

After the Grievance Committee recommends that a complaint will be forwarded for a hearing, the complaint may be withdrawn by the Complainant only with the Hearing Panel's approval. A complaint so withdrawn shall not be deemed a final determination on the merits.

If litigation or any government agency investigation or other action is pending related to the same transaction, the Association shall cease its considerations and hold the file pending until such time as the litigation or government agency investigation or other action is concluded.

Subcommittee and Hearing Panel members shall return information packets while a case is in abeyance.

By this reference, LBVR hereby adopts the optional expedited ethics administration procedures referenced in the NAR Manual, under "Part Four, The Ethics Hearing".

A written response will be requested when an Ethics Complaint or Request for Arbitration is forwarded to the Grievance Subcommittee. This Response shall not be provided to the Grievance Subcommittee.

Responses must be typewritten, with original and six (6) copies.

Designated REALTORS will be copied on all notices in cases involving one of their agents. Designated REALTORS are not automatically joined in an ethics case.

All Professional Standards records shall be retained until the appeal and/or procedural review period has expired. The final decision of the arbitration hearing panels and the Board of Directors relative to ethics proceedings shall be retained permanently in the respondent's membership file.

CONDUCT OF HEARINGS

The Chair, panel members, and alternates shall arrive 30 minutes before the scheduled hearing time.

Panel Alternates are to appear at any scheduled hearing they have been assigned to and will be dismissed at that time if they are not needed to sit on the panel.

Parties may not record the proceedings.

LBVR staff will record hearings on audio tape. Any party to a hearing has the right to obtain a copy of the Association's official tape recording, subject to payment of duplication costs. Such pricing shall be established by the Board of Directors annually. Duplication will be conducted under the Association's supervision. Court reporters shall not be allowed at hearings.

Neither Appeals nor Procedure Review proceedings will be recorded.

APPEALS

All appeals must be in writing.

All appeals must be accompanied by a deposit.

The deposit amount shall be set by the Board of Directors annually.

ARBITRATION

The Principal Broker shall be present or send written consent to be represented by a designated company representative.

Voluntary arbitration will be offered as a service under each set of circumstances described in the NAR Manual.

LBVR will offer mediation as a preliminary, voluntary alternative to arbitration. By this reference, LBVR hereby adopts Option #1 for initiation of Mediation Procedures from the NAR Manual in Appendix V to Part Ten.

The required deposit amount from both the Complainant and the Respondent shall be set by the Board of Directors. This deposit is due at time of filing request.

Deposits shall be held by LBVR if an arbitration case is placed in abeyance due to litigation.

The Grievance Subcommittee must determine whether the matter is subject to arbitration within 30 business days from receipt of the request at LBVR.

The Secretary shall immediately request the Respondent(s) to provide the Grievance Committee with a written response.

Part Ten, Section 48, Option #3 is selected regarding signed agreements and deposits.

by this reference, LBVR hereby adopts the optional Arbitration Award procedures referenced in the NAR Manual in Section 53(c-f).

Deposits shall be returned to the prevailing party.

If there is a split award, 50% of each party's deposit shall be retained by LBVR for its expenses, and the arbitrators shall determine the disposition of the balance of both deposits.

The required deposit amount for a procedural review shall be set by the Board of Directors.

ETHICS

The Association shall impose an administrative processing fee of \$250.00 against respondents found in violation of the code of Ethics or membership duties.

By this reference, LBVR hereby adopts the optional policies allowing for the publication of names of Code of Ethics violators.

MEETINGS

The following policies apply to all meetings connected with the Grievance and Professional Standards Committees, subcommittees, hearings, and mediation sessions.

A LBVR staff member must be in attendance at all meetings.
During all meetings pagers and portable phones shall be turned off and set aside so as not to disturb or delay the proceedings.

TIME PERIODS

Respondent(s) shall have 15 business days to submit a response or additional information

requested for Ethics or Arbitration.

The complaint, and response, if any, shall be provided to Hearing Panel members at least 21 business days prior to the Hearing.

Whenever a Specimen Form has a blank line to fill in for 'number of days', the number used shall be the minimum number of days specified in the NAR Manual.

NOTICES

When notice is referred to or requested, notice in business days will be assumed.

Certified letters will be sent only to Designated REALTORS, notifying them of their suspension and/or termination hearing; or, to appropriate parties in professional standards/arbitration matters, and for any other matters deemed appropriate by the Association Executive.

BOARD OF DIRECTORS

The following matters will be heard by the full Board of Directors: Action of the Board, Initial Action by Directors, Preliminary Judicial Determination Prior to Imposition of Discipline.

The following matters will be heard by a panel of five directors: Power to Take Disciplinary Action, Appeals from the Decision of the Grievance Committee Related to an Ethics Complaint/Related to a Request for Arbitration, Initiating and Ethics Hearing, Board's Right to Decline Arbitration, Manner of Invoking Arbitration, Request for Procedural Review by Directors.

Any matter brought before the Board of Directors may be considered by a panel of Directors appointed by the President. Five directors shall constitute such a panel, which shall act on behalf of the Board. The decision of the panel shall be final and binding and shall not be subject to further review by the Board.

Any Director affiliated with the Complainant(s) company or the Respondent(s) company; who served on the relevant Grievance Subcommittee or Hearing Panel; or, had any involvement in the Case at hand, shall disqualify themselves from consideration of any action concerning the Case.

ADDENDUM I
2001 PRICES

The following costs have been established for 2001.

The Arbitration deposit shall be in the amount of \$100 per party (complainant and respondent).

The Arbitration procedural review deposit shall be in the amount of \$250.00.

The charge for each audio tape duplication shall be in the amount of \$25.00.

The charge for file copies shall be \$0.15 per page.

The appeal deposit shall be \$250.00.

The administrative processing fee shall be \$250.00.