

# Spokane Association of REALTORS®

## Citation Policy

The Citation Policy helps create better compliance with the Code of Ethics. It provides an expeditious and convenient way for members who admit the infraction to pay a fine rather than being exposed to a full hearing. The purpose of the policy is NOT to replace the hearing process. Members must still be provided the right to a full hearing to assure they have been given due process.

Information about the Ethics Citation Program, including the Citation Schedule, will be provided as part of the information sent to potential complainants considering filing ethics complaints with the Association.

By adopting this policy, the Association shall establish a Citation Panel, comprised of at least three (3) members of the Professional Standards Committee to review complaints to determine eligibility for the citation program and the appropriate citations.

Under the Citation Policy, the Grievance Committee reviews a complaint and determines if the alleged conduct is a citable offense. A citable offense is conduct that is prohibited by the Citation Schedule. If the Association's Citation Panel determines the conduct is a citable offense, they will issue a citation.

Complaints must be filed within one hundred eighty (180) days after the facts constituting the matter complained of could have been known in the exercise of reasonable diligence or within one hundred eighty (180) days after the conclusion of the transaction or event, whichever is later.

Violations based on Articles or Standards of Practice other than those spelled out in this policy, cannot impose fines in excess of those in this policy, and cannot be utilized more frequently than provided for in this policy.

### Initial Review by Grievance Committee and Citation Panel

- When the Grievance Committee receives a written ethics complaint, it will review the complaint consistent with Sections 19 and 20 of the current NAR *Code of Ethics and Arbitration Manual*. The Grievance Committee may add or delete articles or respondents at this stage in the proceedings.
- If the Grievance Committee determines that the complaint is a citable offense, they will forward the complaint to the Association's Citation Panel to determine if it includes allegations covered by the Citation Schedule.
- If the complaint does not include alleged violations included in the Citation Schedule, or it includes some covered by the Citation Schedule and some that are not, the complaint shall be referred to the Professional Standards Committee for a hearing.
- If the complaint includes only allegations of violations included in the Citation Schedule, the Citation Panel will issue a citation pursuant to the Citation Fine Schedule. In the event members of the Citation Panel determine the conduct described in the complaint is sufficiently egregious to warrant a hearing rather than a citation, the complaint shall be referred to the Professional Standards Committee for a hearing.

## Citations

- Citations will be sent to respondents. A copy of the citation shall also be sent to the REALTOR® principal of respondents' office. If the respondent changes firms before or after the complaint is filed but before the citation is issued, both the former and current REALTOR® principal will receive a copy of the citation.
- A copy of the complaint will be provided to the respondent.
- The respondent will have twenty (20) days from receipt of the citation to request a full due process hearing on the complaint.
- If the respondent does not reply within ten (10) days of receiving the citation, a notice shall be issued to the respondent reminding the respondent of the deadline for requesting a hearing.
- If the respondent accepts the citation, or if the respondent does not request a hearing within twenty (20) days of receipt of the citation, this 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, or if the respondent does not request a hearing within twenty (20) days of receipt of the citation, payment must be received by the association no later than 5 days after the date of acceptance or time period to request a hearing has elapsed.
  - ✓ The case will be deemed to be closed upon receipt of payment, and notice will be provided to the complainant that a citation has been issued and paid.
  - ✓ Failure to pay the citation amount within 5 days after the date of acceptance or after the time period to request a hearing has expired will result in the automatic suspension of membership until the citation has been paid.
- If the respondent requests a hearing within the time specified, the complaint shall be referred for a hearing. The complainant who initially filed the complaint shall be given the option to proceed as the complainant for the purposes of the hearing and will be afforded all due process rights provided for in the *Code of Ethics and Arbitration Manual*. Should the complainant be a member of the public who refuses or is unable to participate in the hearing, or should the complainant be a REALTOR® member who refuses or is unable to participate in the hearing, the provisions of Section 21 (f)(3) in the NAR *Code of Ethics and Arbitration Manual* shall apply.

## Limitations

- Any REALTOR® is limited in the number and type of citations that he/she may receive, according to the following rules:
  - ✓ No more than two (2) citations will be issued to a member within a consecutive twelve (12) month period, starting on the date the first complaint was filed, at the same association.
  - ✓ No more than three (3) citations will be issued to a member within a consecutive thirty-six (36) month period, starting on the date the first complaint was filed, at the same association.

- ✓ No additional citations are permitted where the cumulative fine for the citations issued would be more than \$5,000 in any three (3) year period at the same association.
- ✓ An escalating fine schedule has been created for repeat citations. The citation panel may only consider the past citations for the particular conduct alleged in the complaint.
- The fact that a respondent has previously been issued a citation for any violation – whether or not it was paid – shall not be admissible in any ethics or arbitration hearing, including a hearing to consider a complaint where the respondent rejected a citation and requested a hearing. A hearing panel may consider citations previously issued to the respondent for the purpose of determining appropriate discipline only if the citation was issued for the same violation at issue in the hearing.
- Citations will not be considered in any publication of violations should such rules be adopted by the association.
- Where a hearing panel finds a violation of the Code of Ethics after a hearing, it may consider past citations in determining an appropriate sanction only if the citation was issued for the same violation at issue in the hearing. By way of example, if a citation was issued for failure to disclose a dual or variable rate commission under Standard of Practice 3-4, that citation could not be considered if a hearing panel later found a violation of Article 3 on some other grounds. Hearing panels will not be informed of past citations for other violations.
- Association staff will track the number of citations issued, the number of citations paid, and the violations for which citations were issued. This information may be provided in the aggregate to the Board of Directors, but will not include details about the complaints, nor identify the complainants or respondents.

**SPOKANE ASSOCIATION OF REALTORS®**  
**Code of Ethics**  
**Citation Schedule**

Below is a schedule of citation fines for selected Code of Ethics violations. Should an Ethics Complaint be filed that falls within these parameters (and only these parameters) and the Grievance Committee determines that the complaint should be forwarded for a hearing, the Grievance Committee will first forward the complaint to the Association’s Citation Panel to determine if it includes allegations covered by the Citation Schedule, (described below). The Citation Panel has the option of expediting the hearing process by issuing a citation(s) for any of the following Code of Ethics violations.

A REALTOR® receiving the citation may elect to either pay the amount specified on the citation, or request a full hearing in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®.

In the event the cited Code of Ethics violation was also an MLS violation (same event and conduct), and the member was assessed a fee for such, the cumulative amount levied will not exceed the amounts listed below.

<b>Article 3</b>		
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	<b>1<sup>st</sup> Offense - \$500</b> <b>2<sup>nd</sup> Offense - \$750</b> <b>3<sup>rd</sup> Offense - \$1,000</b>
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	<b>1<sup>st</sup> Offense - \$500</b> <b>2<sup>nd</sup> Offense - \$1,000</b> <b>3<sup>rd</sup> Offense - \$1,500</b>
Failing to disclose existence of dual or variable rate commission arrangements	Article 3, supported by Standard of Practice 3-4	<b>1<sup>st</sup> Offense - \$250</b> <b>2<sup>nd</sup> Offense - \$400</b> <b>3<sup>rd</sup> Offense - \$750</b>
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	<b>1<sup>st</sup> Offense - \$250</b> <b>2<sup>nd</sup> Offense - \$400</b> <b>3<sup>rd</sup> Offense - \$750</b>
Failing to disclose existence of accepted offers, including offers with unresolved contingencies, to cooperating brokers	Article 3, supported by Standard of Practice 3-6	<b>1<sup>st</sup> Offense - \$500</b> <b>2<sup>nd</sup> Offense - \$1,000</b> <b>3<sup>rd</sup> Offense - \$1,500</b>
Misrepresenting the availability of access to show or inspect a listed property	Article 3, supported by Standard of Practice 3-8	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$400</b>

<b>Article 3 (continued)</b>		
Providing access to listed property on terms other than those established by the owner or the listing broker	Article 3, supported by Standard of Practice 3-9	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$500</b> <b>3<sup>rd</sup> Offense - \$1,000</b>
<b>Article 4</b>		
Failing to disclose REALTOR®'s ownership or other interest in writing to the purchaser or their representative	Article 4 (second sentence)	<b>1<sup>st</sup> Offense - \$500</b> <b>2<sup>nd</sup> Offense - \$1,500</b> <b>3<sup>rd</sup> Offense - \$3,000</b>
<b>Article 5</b>		
Providing professional services without disclosing REALTOR®'s present interest in property	Article 5 (limited to present interest, not contemplated)	<b>1<sup>st</sup> Offense - \$500</b> <b>2<sup>nd</sup> Offense - \$1,500</b> <b>3<sup>rd</sup> Offense - \$3,000</b>
<b>Article 6</b>		
Accepting any commission, rebate, or profit on expenditures without client's knowledge or consent	Article 6 (first paragraph)	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$500</b> <b>3<sup>rd</sup> Offense - \$1,000</b>
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)	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$500</b> <b>3<sup>rd</sup> Offense - \$1,000</b>
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	<b>1<sup>st</sup> Offense - \$500</b> <b>2<sup>nd</sup> Offense - \$1,000</b> <b>3<sup>rd</sup> Offense - \$2,000</b>
<b>Article 12</b>		
Failing to present a true picture in real estate communications and advertising	Article 12	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>
Failing to disclose status as real estate professional in advertising and other representations	Article 12	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>
Failure to provide all terms governing availability of a "free" product or service in an advertisement or other representation	Article 12, supported by Standard of Practice 12-1	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>
Failure to disclose potential to obtain a benefit from third party when REALTOR® represents their services as "free" or without cost	Article 12, supported by Standard of Practice 12-2	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>

<b>Article 12 (continued)</b>		
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	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>
Advertising property for sale/lease without authority of owner or listing broker	Article 12, supported by Standard of Practice 12-4	<b>1<sup>st</sup> Offense - \$250</b> <b>2<sup>nd</sup> Offense - \$500</b> <b>3<sup>rd</sup> Offense - \$1,000</b>
Failing to disclose name of firm in advertisement for listed property	Article 12, supported by Standard of Practice 12-5	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>
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	<b>1<sup>st</sup> Offense - \$250</b> <b>2<sup>nd</sup> Offense - \$500</b> <b>3<sup>rd</sup> Offense - \$1,000</b>
Falsely claiming to have “sold” property	Article 12, supported by Standard of Practice 12-7	<b>1<sup>st</sup> Offense - \$250</b> <b>2<sup>nd</sup> Offense - \$500</b> <b>3<sup>rd</sup> Offense - \$1,000</b>
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	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>
Failure to disclose firm name and state of licensure on REALTOR® firm website	Article 12, supported by Standard of Practice 12-9	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>
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	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>
<b>Article 14</b>		
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	<b>1<sup>st</sup> Offense - \$1,000</b> <b>2<sup>nd</sup> Offense - \$1,500</b> <b>3<sup>rd</sup> Offense - \$2,500</b>
<b>Article 16</b>		
Placing for sale/lease sign on property without permission of seller/landlord	Article 16, supported by Standard of Practice 16-19	<b>1<sup>st</sup> Offense - Letter of Warning</b> <b>2<sup>nd</sup> Offense - \$250</b> <b>3<sup>rd</sup> Offense - \$500</b>

