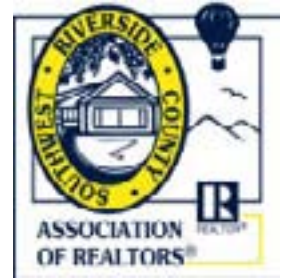


MLS CITATION POLICY

October 6, 2005



Southwest Riverside County Association of REALTORS®

To ensure the integrity of the MLS and the MLS database, this Citation Policy has been established in accordance with Section 12.3 of the MLS Bylaws. Fines will be issued in accordance with this policy, subject to change upon approval of the Board of Directors. This policy is not all-inclusive, may not reflect violations of the Code of Ethics, and does not replace Professional Standards Enforcement.

SRCAR has instituted this Citation Policy to make a focused effort to bringing back the integrity of the MLS in the eyes of the members it serves. By instituting this Citation Policy, SRCAR hopes to set an example for other Associations to join it in this massive effort. Your cooperation and understanding are requested as we take this GIANT step forward.

SUMMARY OF CITATION AND FINE PROCESS

When a non-Safety Category, as defined below, violation of the MLS Bylaws is discovered by the “Mr. Clean Program,” a notice is sent to the SRCAR MLS Compliance Department with a copy to SRCAR’s Professional Standards Coordinator. When a notice of non-Safety Category violation is received by the MLS Compliance Department from the “Mr. Clean Program” or a violation of the MLS Bylaws is reported to the SRCAR MLS Compliance Department by an interested individual, the SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* to the violating Broker Participant or Subscriber (“Violator”) and, if the Violator is a Subscriber, sends a copy of the Notice to the Subscriber’s employing or affiliated Broker Participant (“Responsible Participant”). If the violation is not corrected within forty-eight (48) hours of the Receipt Date of the *Notice of Violation-Warning*, the SRCAR MLS Compliance Department sends a *Notice of Violation and Fine Assessment* to the Violator and, if applicable, sends a copy of the Notice to the Responsible Participant. If, within 15 business days of the Receipt Date of the *Notice of Violation and Fine Assessment*, the fine is not paid or a *Request for Administrative Review* or a *Request for Hearing* with \$250 fee is not received, the MLS privileges of the Violator and the Responsible Participant will be suspended, and a \$500 fee will be charged to reinstate MLS privileges.

When a Safety Category violation of the MLS Bylaws is discovered by the “Mr. Clean Program” scanning process conducted by the Multi-Regional Multiple Listing Service (“MRMLS”), the violating text is automatically removed from the listing and a notice is sent to the SRCAR MLS Compliance Department with a copy to SRCAR’s CEO. The SRCAR MLS Compliance Department sends a *Notice of Violation Correction-Warning* to the Violator and, if applicable, sends a copy of the Notice to the Responsible Participant. If there is a subsequent Safety Category violation by the Violator, the SRCAR MLS Compliance Department sends a *Notice of Violation and Fine Assessment* to the Violator and, if applicable, sends a copy of the Notice to the Responsible Participant.

REPORTING A VIOLATION

DO NOT call the MRMLS “Mr. Clean” number to report a violation of a “T” listing or violations by SRCAR members.

Interested individuals may report violations by:

Calling the SRCAR Violation Hotline at (800) 919-1008

Sending a FAX to SRCAR at (951) 894-2572

Sending an E-mail to SRCAR at MLSViolations@srcar.org

Reports must include the following information:

Name and office of the alleged Violator.

Nature of the violation (be as specific as possible, i.e., when it occurred, the ML #, etc.).

Reporter's name and contact information (FOR VERIFICATION PURPOSES ONLY; WILL BE KEPT IN STRICT CONFIDENCE)

VIOLATIONS AND FINES

There are three categories of Violations and levels of minimum fines. Filing fees, increased fines, and additional punishments may be imposed if Violations are disputed. Below are explanations of the Categories and how each will be handled by the SRCAR MLS Compliance Department. The categories and minimum fines are as follows:

SAFETY CATEGORY Fine: \$1,000 per violation after first notice

SC Listing that contains any one or combination of the following or similar words or phrases:

alarm code	home alone	divorced
gate code	lives alone	separated
lockbox code	disabled	not home
kids home	wheelchair	vacant
babysitter	blind	empty
elderly	door unlocked	out of town
hard of hearing	on vacation	back next week/month
day sleeper	small children	owner moved/gone
works nights/days	pregnant	

This list is not exhaustive. Mr. Clean and the SRCAR MLS Compliance Department reserve the right in their sole discretion to correct and issue notices and fines for any word(s) and/or phrases that in their good faith belief create or reasonably may create a safety issue. (MLS Bylaws 9.1, 9.4, 9.10, 9.14.2)

CATEGORY 1 Fine: \$1,000 plus \$100 per calendar day violation continues after notice

- 1.1** Active listing without valid listing agreement (MLS Bylaws 5.1, 5.2)
- 1.2** Failure to enter listings in MLS or provide SRCAR with Authorization To Exclude Listing From MLS And Certification Of Informed Consent (MLS Bylaws 4.5, 4.6, 4.7)
- 1.3** Late entry of a new listing (MLS Bylaw 4.5)
- 1.4** Entry of a property listed by a non-MLS member (MLS Bylaws 1.1 – 1.7)
- 1.5** Entry of inaccurate listing status (MLS Bylaws 4.9, 4.19, 7.1, 7.2, 7.3)
- 1.6** Late reporting of pending sale (MLS Bylaw 7.1)
- 1.7** Late reporting of a final sale (MLS Bylaw 7.1)
- 1.8** Conditional offers of compensation (MLS Bylaw 4.12)
- 1.9** Misuse of data with intent to mislead (MLS Bylaws 9.6, 9.7, 9.8, 9.9, 9.14)
- 1.10** Inappropriate Image and Virtual Tour Links (MLS Bylaw 9.4)

CATEGORY 2 Fine: \$500 plus \$50 per calendar day violation continues after notice

- 2.1 Duplicate listings by the same agent/broker (MLS Bylaw 5.3)
- 2.2 Entry of inaccurate selling information (MLS Bylaws 5.3, 7.1)
- 2.3 Wrong property classification (MLS Bylaw 5.3)
- 2.4 Misuse of Public Remarks (MLS Bylaw 9.4)

RESPONSIBILITY FOR VIOLATIONS AND FINES

The Violator shall have initial responsibility for correcting the violation and paying all fines. If the Violator is a Subscriber, the Responsible Participant (the employing or affiliated Broker Participant through whom the Violator has access to the MLS) shall be ultimately responsible for payment of all dues, fees, fines, or charges.

NONPAYMENT RESULTS IN MLS SUSPENSION

Failure to pay a fine, unless an administrative review or a hearing is requested as set forth below, will result in suspension of MLS privileges of the Violator and/or Responsible Participant, pursuant to Paragraph 15.1 of the MLS Bylaws, which reads as follows:

“15.1 Nonpayment of MLS Fees. If MLS fees, fines, charges or other amounts owed the MLS are not paid within ten (10) days after the due date, the nonpaying participant and/or subscriber’s MLS services shall be subject to suspension until such outstanding amounts are paid in full. The MLS may suspend MLS services under this section provided the MLS gives the participant and/or subscriber at least twenty-four (24) hours written notice of the proposed suspension date. Such written notice may be delivered by facsimile transmission, e-mail transmission, personal delivery, Express Mail or other method of delivery providing for overnight delivery, or regular first class United States mail. In case of service by facsimile transmission, e-mail transmission, or personal delivery, the notice shall be deemed delivered and the 24-hour period shall commence running at noon on the next calendar day after deposit in a post office, mailbox, subpost office, substation, or mail chute, or other like facility regularly maintained by the United States Postal Service for receipt of Express Mail, or delivery to an authorized courier or driver authorized by the service carrier to receive documents or after deposit in a box or other facility regularly maintained by the service carrier, in an envelope or package after designated by the service carrier with instructions for delivery by 10:00 a.m. the next day and delivery fees paid or provided for, and addressed to the person on whom it is to be served. In the case of service by regular first class United States mail, the notice shall be deemed delivered and the 24-hour period shall commence running at noon on the second day after deposit in a post office, mailbox, subpost office, substations, or mail chute or other facility regularly maintained by the United States Postal Service in a sealed envelope with postage paid, addressed to the person on whom it is to be served. Such notice may be included with the original billing statement for MLS fees, fines, or charges or any time thereafter. Notwithstanding the above, in the event the amounts owed remain unpaid for three (3) months after the due date, the nonpaying participant and/or subscriber’s MLS services shall automatically terminate regardless if notice of such termination is given.”

NOTICE OF VIOLATION

For purposes of this policy, notices of violations will be sent directly to the Violator. If the Violator is a Subscriber, a copy of the notice will be sent to the Responsible Participant.

CALCULATING TIME PERIODS

Time to submit or report under the MLS Bylaws is counted as business days (weekends and holidays are excluded). Time to correct violations is counted as calendar days.

DUE DATE FOR FINES

Fines are due within fifteen (15) business days of the Receipt Date set forth on the *Notice of Violation and Fine Assessment*. Receipt is presumed to be two (2) business days after mailing or one (1) business day after facsimile or e-mail transmission. If a notice is sent by more than one method, the earlier Receipt Date applies.

MULTIPLE VIOLATIONS

If a *Notice of Violation and Fine Assessment* includes multiple violations, fines will be assessed on a per listing basis at the highest possible fine rate.

Examples:

- If one listing violates both the Safety Category and Category 2, the higher Safety Category fine rate will be applied, and the fine will be \$1,000.
- If one listing contains both a Category 1 and a Category 2 violation, the higher Category 1 fine rate will be applied, and the fine will be \$1,000.
- If one listing contains two Category 1 violations, the fine will be \$1,000.
- If one listing contains two Category 2 violations, the fine will be \$500.
- If two listings are not submitted, the fine will be \$2,000.)

REPEAT VIOLATIONS – AUTOMATIC FINE ASSESSMENT

An AUTOMATIC *Notice of Violation and Fine Assessment* will be issued if, within a twelve (12) month period, either of the following occur:

1. A second (2nd) Safety Category violation is discovered and corrected
2. A third (3rd) *Notice of Violation–Warning* is issued for violation of the same or any different MLS Bylaw Rule.

RIGHT TO DISPUTE NOTICE OF VIOLATION AND FINE ASSESSMENT

There are two alternative procedures for disputing a *Notice of Violation and Fine Assessment*:

(1) The Violator may request an administrative review without any fee, and if the citation is upheld the fine is limited to the amount or adjusted amount in the *Notice of Violation and Fine Assessment*,

OR

(2) The Violator may pay a \$250 filing fee and request a hearing, and if the citation is upheld the fine amount in the *Notice of Violation and Fine Assessment* may be increased and additional punishments may be imposed.

FAILURE TO TIMELY SUBMIT EITHER A COMPLETED *REQUEST FOR ADMINISTRATIVE REVIEW* FORM OR A COMPLETED *REQUEST FOR HEARING* FORM WITH THE \$250 FEE WILL RESULT IN THE CITATION BEING DEEMED FINAL WITHOUT ANY FURTHER NOTICE, AND THE VIOLATOR'S MLS PRIVILEGES MAY BE SUSPENDED FOR THE PRESCRIBED PERIOD.

ADMINISTRATIVE REVIEW

To dispute a *Notice of Violation and Fine Assessment*, the Violator may request an administrative review by the MLS Quality Assurance Task Force, a subcommittee of the Professional Standards Committee. The MLS Quality Assurance Task Force is comprised of one or more panels of not less than three (3) nor more than five (5) REALTORS®.

The Violator must first correct the violation. Then, within fifteen (15) business days of the Receipt Date of the *Notice of Violation and Fine Assessment*, the Violator may submit a *Request for Administrative Review* form. No fee is required for an administrative review.

The *Request for Administrative Review* form must state the specific ground(s) for the review and include all facts and/or reasons for the request. The grounds for an administrative review are one or more of the following:

- Factual dispute regarding the alleged violation(s), such as misapplication of the MLS Bylaw(s) cited.
- Contention that there has been a violation of procedural due process.
- Contention that the actual days fined are incorrect.

[NOTE: FAILURE TO RECEIVE ANY NOTICE IS NOT GROUNDS FOR ADMINISTRATIVE REVIEW.]

If the grounds set forth are proper grounds for a review, the MLS Quality Assurance Task Force will review the documentation. No formal hearing is held and no appearance by the Violator is allowed.

Written *Notice of Decision on Request for Administrative Review* by the MLS Quality Assurance Task Force will be sent to the Violator within thirty (30) days of receipt of the *Request for Administrative Review*.

In the event the MLS Quality Assurance Task Force determines that a violation occurred and a fine is affirmed, the fine will be due and payable within fifteen (15) business days of the Receipt Date of the Notice of Decision on Request for Administrative Review.

In the event the MLS Quality Assurance Task Force determines that no violation occurred, the fine will be withdrawn.

In the event the MLS Quality Assurance Task Force determines that there has been a procedural due process violation, the MLS Quality Assurance Task Force may return the matter to the SRCAR MLS Compliance Department or dismiss the matter.

If the MLS Quality Assurance Task Force determines an error was made in the actual days fined, the MLS Quality Assurance Task Force may adjust the amount of the fine.

REQUEST FOR HEARING

To dispute a *Notice of Violation and Fine Assessment*, the Violator may request a hearing before the Professional Standards Committee.

The Violator must first correct the violation. Then, within fifteen (15) business days of the Receipt Date of the *Notice of Violation and Fine Assessment*, the Violator may submit a *Request for Hearing* form with a \$250 filing fee.

The *Request for Hearing* form must state the specific ground(s) for the hearing and include all facts and/or reasons for the request. The grounds for a hearing are one or more of the following:

- Factual dispute regarding the alleged violation(s) such as misapplication of the MLS Bylaw(s) cited.
- Contention that there has been a violation of procedural due process.
- Contention that the actual days fined are incorrect.

[NOTE: FAILURE TO RECEIVE ANY NOTICE IS NOT GROUNDS FOR A HEARING.]

If the grounds set forth are proper grounds for a hearing, SRCAR will set a hearing in accordance with the *California Code of Ethics and Arbitration Manual*. The Violator may, but is not required to, attend the hearing.

Written *Notice of Decision on Request for Hearing* by the Professional Standards Committee will be sent to the Violator as soon as practicable following completion of the hearing.

In the event the hearing panel determines that the violation occurred, the \$250 filing fee will be retained as a cost for administration of the hearing and will not apply toward the payment of any fines. The fine in the *Notice of Violation and Fine Assessment* OR SUCH INCREASED FINE AS IS IMPOSED BY THE HEARING PANEL will be payable in full by the date noticed in the decision, and the Violator may be required to comply with ADDITIONAL DISCIPLINE AND PUNISHMENT AS MAY BE IMPOSED BY THE HEARING PANEL in accordance with the *California Code of Ethics and Arbitration Manual*. The sanctioning guidelines are set forth on the *Request for Hearing* form.

In the event the hearing panel determines that no violation occurred, the filing fee will be returned.

In the event the hearing panel determines that there has been a procedural due process violation, the hearing panel may refund the filing fee and either return the matter to the SRCAR MLS Compliance Department or dismiss the citation.

If the hearing panel determines an error was made in the actual days fined, the hearing panel may adjust the amount of the fine.

EXPLANATION OF VIOLATION CATEGORIES

MLS Bylaw sections are paraphrased below. For complete MLS section, refer to the MLS Bylaws. (NOTE: MLS Bylaws are modified periodically, so be sure to refer to the most recent Bylaws posted to SRCAR's website.)

SAFETY CATEGORY FINE: \$1,000 per violation after first notice

SC Entry of information in the public remarks that creates a safety issue (MLS Bylaws 9.1, 9.4, 9.10, 9.14.2)

Broker Participants and Subscribers may not put information in the remarks/property description that creates or may create an issue of safety as to the owner or occupants physical well being or real or personal property by communicating information that would provide another with an opportunity to access or enter the property while the owner or occupants are not present, access or enter the property when a person who is unable to resist or defend him or herself is present, for the purpose of committing a crime or causing damage to the person or property of the owner or occupants, or for any other purpose not within the purposes authorized by the MLS Bylaws and California law

Examples of such words or phrases are:

alarm code	home alone	divorced
gate code	lives alone	separated
lockbox code	disabled	not home
kids home	wheelchair	vacant
babysitter	blind	empty
elderly	door unlocked	out of town
hard of hearing	on vacation	back next week/month
day sleeper	small children	owner moved/gone
works nights/days	pregnant	

This list is not exhaustive. Mr. Clean and the SRCAR MLS Compliance Department reserve the right in their sole discretion to correct and issue notices and fines for any word(s) and/or phrases that in their good faith belief create or reasonably may create a safety issue.

Action:

- (1) Mr. Clean removes violating information and reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation Correction-Warning*.

- (4) If a Safety Category violation is repeated within twelve (12) months of the *Notice of Violation-Correction-Warning*, Mr. Clean removes violating information and reports violation to the SRCAR MLS Compliance Department, a *Notice of Violation And Fine Assessment* is sent and the Violator is fined \$1,000.

CATEGORY 1: FINE: \$1,000 + \$100 per calendar day after notification; maximum \$5,000

1.1 Active listing without a valid listing agreement or listings entered with inaccurate expiration date (Ref. MLS Bylaws 5.1 and 5.2)

Prior to inputting a listing to the service, the listing Broker Participant shall have the authorization of the seller expressly granting the listing Broker Participant the authority to: (1) file the listing with the service, (2) act as agent for the seller; (3) abide by the rules of the service; (4) provide timely notice of status changes; (5) provide sales information (pending); and (6) publish final sale information.

Listing Broker Participants shall have a written listing agreement with all necessary signatures in their possession. Only listings that create an agency relationship between the seller or owner and the listing Broker Participant are eligible for submission. By inputting a listing, the listing Broker Participants and Subscribers represent they have in their possession such written agreements establishing agency and the represented type of listing agreement (i.e., Exclusive Right to Sell (ER), Exclusive Agency (EA), or Open (O)). The MLS has the right to demand a copy of such written listing agreements or seller's written authorization and verify the listing's existence and adequacy at any time. If the listing Broker Participant or Subscriber fails to provide documentation requested within 24 hours, the MLS shall have the right to immediately withdraw any listings from the database, in addition to disciplining the Broker Participant and Subscriber for a violation of the MLS Bylaws.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department contacts Violator to request a copy of the written listing agreement.
- (4) If the written listing agreement is not provided within 24 hours, the Violator is fined \$1,000 and invalid listing is removed by MLS.

1.2 Failure to enter listing in MLS or provide SRCAR with Authorization To Exclude Listing From MLS And Certification Of Informed Consent (Ref. MLS Bylaws 4.5, 4.6 and 4.7)

Exclusive Right to Sell (ER) and Exclusive Agency (EA) listings, of one to four unit residential properties and vacant lots located within the service area of the MLS MUST BE input within two (2) days (excepting weekend, holidays, and postal holidays) after all necessary signatures of the seller(s) has been obtained. If the seller refuses to permit the listing to be disseminated by the MLS, the listing Broker Participant shall submit to the MLS within two (2) business days after all signatures have been obtained, a certification signed by the seller stating that the seller does not want the listing to be disseminated by the service.

Note: The MLS will only accept the SRCAR MLS Form, "*Authorization to Exclude Listing from MLS And Certificate Of Informed Consent.*" The form is available at www.srcar.org. SRCAR will no longer accept the check-off area of the *Residential Listing Agreement (LA)* form.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* giving the Violator 48 hours to correct the violation.
- (4) If violation is not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator is fined \$1,000 plus \$100/day until listing is input or *Authorization to Exclude Listing from MLS And Certificate Of Informed Consent* is received.

1.3 Late entry of a new Listing (Ref. MLS Bylaw 4.5)

Exclusive Right to Sell (ER) and Exclusive Agency (EA) listings, of one to four unit residential properties and vacant lots located within the service area of the MLS MUST BE input within forty-eight (48) hours (excepting weekend, holidays, and postal holidays) after all necessary signatures of the seller(s) has been obtained.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning*, giving the Violator 48 hours to correct the violation.
- (4) If violation is not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator is fined \$1,000 plus \$100/day until listing is input.

1.4 Entry of a property listed by a non-MLS member (Ref. MLS Bylaws 1.1-1.7)

Only those Broker Participants and Subscribers who are MLS users in good standing may enter listings into the MLS.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* giving Violator 48 hours to correct the violation.
- (4) If the violation is not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator is fined \$1,000 plus \$100/day until unauthorized user joins the MLS.

1.5 Entry of inaccurate listing status (Ref. MLS Bylaws 4.9, 4.19, 7.1, 7.2, 7.3)

The status of a listing should correctly reflect the current status of that listing (e.g., A for Active, B for taking Back-Up offers, P for pending and S for Sold & Closed).

DO NOT leave your listing in active status if it is off market or taking back-up offers

DO NOT leave your listing as active and in remarks explain that it is off market or taking back-up offers.

DO NOT use the B (taking back-up offers) status when you are waiting for escrow to close (the B status is to be used when the seller is soliciting back-up offers)

DO NOT change a listing to K (cancelled) status and then immediately add it back as an active

DO NOT change a listing to W (withdrawn) and then immediately add it back as an active

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* giving Violator 48 hours to correct the violation.
- (4) If the violation is not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator is fined \$1,000 plus \$100/day until correct listing status is reported or input..

1.6 Late reporting of a pending sale (Ref. MLS Bylaw 7.1)

Pending sales are to be reported to the MLS within five (5) days of the acceptance by the listing broker.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* giving the Violator 48 hours to correct the violation.
- (4) If not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator is fined \$1,000 plus \$100/day until pending date is reported or input.

1.7 Late reporting of a final sale (Ref. MLS Bylaw 7.1)

Final sales are to be reported to the MLS within five (5) days of the final closing date.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) The SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* giving Violator 48 hours to correct the violation.
- (4) If not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator is fined \$1,000 plus \$100/day until sold date is reported or input.

1.8 Conditional offers of compensation (Ref. MLS Bylaw 4.12)

A Broker Participant must specify some compensation to be paid, stated in one or a combination of the following forms (1) a percentage of the gross selling price; or (2) a definite dollar amount. The amount of compensation may not contain a provision that varies the amount of compensation offered based on conditions precedent or subsequent or on any performance, activity or event. ("If I show it first, I'll pay 1 ½%.")

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* giving Violator 48 hours to correct the violation.
- (4) If not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator is fined \$1,000 plus \$100/day until conditional offer of compensation language is removed from the MLS.

1.9 Misuse of data with intent to mislead (Ref. MLS Bylaws 9.6, 9.7, 9.8, 9.9, 9.14)

A Broker Participant may not use the MLS to mislead other participants. Examples include: wrong city code, incorrect APN, wrong area code (location of property), overstating square footage and incorrect school districts. The California Civil Code, MLS Bylaws and the Code of Ethics are clear on this point.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.

- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* giving Violator 48 hours to correct the violation.
- (4) If not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator is fined \$1,000 plus \$100/day until misleading data is removed from the MLS.

1.10 Inappropriate image and virtual tour links (Ref. MLS Bylaws 9.4, 9.9)

Images, regardless of how they are submitted and/or uploaded, are not to contain inappropriate information or images. Images uploaded to the system are meant to be representative of the listing and its surroundings, images are NOT to include such things as agent/broker photos, names, phone numbers, website addresses, e-mail addresses, advertising other than about the property, etc. No messages of solicitation of any kind are allowed.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* giving Violator 48 hours to correct the violation.
- (4) If not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator is fined \$1,000 plus \$100/day until inappropriate information is removed from the MLS.

CATEGORY 2: FINE: \$500 + \$50 a day after notification; maximum \$5,000

2.1 Duplicate listings by the same Broker Participant or Subscriber (Ref. MLS Bylaw 5.3)

By inputting the information into the MLS database, the listing Broker Participant or Subscriber represents that the information input is accurate to the best of their knowledge. Therefore, there should only be one record in the MLS database for each property that is for sale. This is misleading and inaccurate.

DO NOT add a listing in twice or more to reflect different city codes.

DO NOT add a listing in twice or more to reflect a different number of bedrooms.

DO NOT add a listing in twice or more to gain additional exposure as another "new" listing.

DO NOT add a listing in twice or more to make it pop up on more searches.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* to the Violator giving 48 hours to correct the violation.
- (4) If the violation is not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator will be fined \$500 plus \$50/day until duplicate listing is removed.

2.2 Entry of inaccurate selling information (Ref. MLS Bylaws 5.3 and 7.1)

When reporting a listing as (P)ending or (S)old, you are required to enter the accompanying SOLD information (e.g., selling agent, selling office, sales price, COE date, etc). The SOLD information is critical for accurate reporting of sales statistics as well as accurate CMAs.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* to the Violator giving 48 hours to correct the violation.
- (4) If the violation is not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator will be fined \$500 plus \$50/day until correct selling information is reported or input.

2.3 Wrong property classification (Ref. MLS Bylaw 5.3)

Do not add listings from other property types into other property types. For example, do not include Lease, Land or Mobile Homes under the RES property type. Also, do not place a CONDO in the system as a SFR property type or OYO as Condo.

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* to the Violator giving 48 hours to correct the violation.
- (4) If the violation is not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator will be fined \$500 plus \$50/day until correct property type is reported or input.

2.4 Misuse of public remarks (Ref. MLS Bylaw 9.4)

Broker Participants and Subscribers may not use the remarks/property description for purposes of disparaging other real estate agents or offices or conveying information that does not directly relate to the marketing of a listing. Examples of misuse include:

Gate Codes

Lockbox combinations

Property is VACANT.

E-mail or website addresses

Phone numbers of any kind

Agent, Assistant or Co-Listor or owner names

Removal of any remarks/property description when changing from active to off market status

Language that violates Fair Housing/HUD guidelines for discriminatory language in advertising

Action:

- (1) Mr. Clean reports violation to SRCAR MLS Compliance Department and SRCAR's Professional Standards Coordinator.
- (2) Member reports violation by calling SRCAR Violation Hotline, sending fax or e-mail.
- (3) SRCAR MLS Compliance Department sends a *Notice of Violation-Warning* giving Violator 48 hours to correct the violation.
- (4) If the violation is not corrected within 48 hours, the SRCAR MLS Compliance Department sends a *Notice of Violation And Fine Assessment* and the Violator will be fined \$500 plus \$50/day until offending remarks/property description field is changed.