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Policy on Rules Enforcement

A. Purpose and Scope

This policy governs the discipline (including fines, and suspension of services) that Bright MLS may impose upon Subscribers[1] for violations of the Bright MLS Rules and other Bright MLS policy, subscription agreement, or governance provisions.

B. Broker Responsibility

The Broker is ultimately responsible and accountable for all actions of all Subscribers affiliated with the Broker. The Broker is required to attend hearing(s) of a Subscriber who has received more than three administrative fines within a calendar year.

C. Enforcement of Rules

Bright MLS will give consideration to all verbal and written complaints, or violations determined by Bright MLS's own investigation, that may implicate this policy. Bright MLS staff review complaints and investigatory information, and issue notices and sanctions.

All complaints must be submitted in writing. If the alleged offense does not involve a charge of violating of the Code of Ethics of the National Association of REALTORS® when applicable, or a request for arbitration, it will be administratively considered and fines may be issued as described in this policy, as it may be amended from time to time.

Sanctions are set forth in Schedule 1. Subscribers may receive no more than three sanctions in a calendar year before they are required to attend a hearing.

D. Procedures for Appeal of a Sanction

Upon notification of Bright's decision to impose a sanction, the Subscriber may submit a written request for an appeal no later than 20 calendar days after the sanction was issued. Requests for appeal must be submitted via Accounts and Settings.

Upon receipt of the request for an appeal, MLS staff will review the request and evaluate under the circumstances listed below:

a. Misapplication or misinterpretation of a rule.
b. Procedural deficiency or any lack of due process.
    i. Procedural Deficiency/Lack of Due Process: A timeframe was not adhered to or system issue presenting lack of ability to correct violation after initial notice.
c. Mitigating Factors & Consideration for Additional Circumstances
    i. The following items may be considered as mitigating factors only when (a) the subscriber has a history of compliance by having received fewer than 3 sanctions in a calendar year; and (b) and the subscribers is currently in good standing with their account (no unpaid subscription fees, fines, or other unresolved, non-finalized compliance matters):
        1. Documented Illness
        2. Natural Disasters
        3. Military Service
        4. Documented System Issue preventing compliance with the rules

Prior to reversal of any sanction, the issues must be resolved and the listing corrected.

The decision of the Staff Appeals Team is considered final. The appellant may request a review of the Staff appeal decision within 20 days of receiving the decision **only IF** they can show that the case was improperly handled (misapplication of a rule, due process issue, or procedural deficiency) or the Rules have been misapplied to the facts.

If a request for a review of the Staff appeal decision is received, a Sanction Appeal Panel will review the provided documents and any supporting material to evaluate the sanction. The Sanction Appeal Panel may reverse or affirm the sanction. The Sanction Appeal Panel is comprised of three members of the Bright MLS Board appointed by the Chair of Bright's Board of Directors.

The Sanction Appeal Panel's decision is final and non-appealable.

[1] Capitalized terms have the meaning in Bright's Rules if not otherwise defined in this policy.

Except as provided in this Policy, the procedures on appeal shall be consistent with the procedures in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®.

E. Failure to Pay

Failure to pay any service charge, fee, or fine within one month of the date due, and provided that at least ten days' notice has been given, Bright will suspend services to a *Subscriber* until service charges, fees, fines, reinstatement fees, late fees, and any other applicable fees, are paid in full.

Subscribers may not take legal action against Bright MLS for alleged rules violations unless the *Subscriber* has first exhausted the remedies provided in these rules.

F. Complaints of Unethical Conduct

Complaints of unethical conduct will be referred to the Subscriber's primary Association of REALTORS® or the Association of REALTORS® in which the Subscriber's place of business is in its territorial jurisdiction, for appropriate action in accordance with the professional standards procedures established in that Association's Bylaws.

Failure to comply with any findings and/or fines from an Association of REALTORS® is considered a violation of Bright's Rules and subjects the Subscriber to also be subject to the equivalent sanction as determined by Bright.

G. Effect on Listings

1. **Listings of Suspended Listing Brokers**

When a *Broker* is suspended for any reason other than failure to pay, all *listings* at that time submitted will, at the *Listing Broker's* option, be retained in the *Bright Database* until *Closed*, *Withdrawn*, or *Expired*, and may not be renewed or extended beyond the termination date of the listing contract in effect when the suspension became effective.

When a *Broker* is suspended for failure to pay appropriate dues, fees, or charges, or for violation of Bright's Rules, Bright will cease providing services, including continued inclusion of the suspended *Listing Broker's listings* in the *Bright Database*.

Prior to removal of a suspended *Listing Broker's listings* from the *Bright Database*, the suspended *Listing Broker* will be advised in writing so that the suspended *Listing Broker* may advise their clients.

2. **Listings of Expelled Listing Brokers**

When a *Broker* is expelled for any reason other than failure to pay, all *listings* currently submitted will, at the expelled *Listing Broker's* option, be retained in the *Bright Database* until *Closed*, *Withdrawn*, or *Expired*, and may not be renewed or extended beyond the termination date of the listing contract in effect when the expulsion became effective.

When a *Broker* is expelled for failure to pay appropriate dues, fees, or charges, Bright will cease providing services, including continued inclusion of the expelled *Listing Broker's listings* in Bright *Database*.

Prior to removal of an expelled *Listing Broker's listings* from Bright *Database*, the expelled *Broker* will be advised in writing so they may advise their clients.

H. Arbitration of Disputes

By becoming and remaining a subscribing *Broker*, each subscribing *Broker* agrees to arbitrate disputes involving contractual issues and questions, and specific non-contractual issues and questions defined in Standard of Practice 17-4 of the REALTORS® Code of Ethics with *Brokers* in different firms arising out of their relationships as *Listing Brokers*, subject to the following qualifications:

(a) If all disputants are primary members of the same Association of REALTORS®, or have their principal place of business within the same Association's territorial jurisdiction, they must arbitrate pursuant to the procedures of that Association of REALTORS®.

(b) If the disputants are primary or secondary members of different Associations of REALTORS®,

or if their principal place of business is located within the territorial jurisdiction of different Associations of REALTORS®, they remain obligated to arbitrate in accordance with the procedures of the state Association of REALTORS® of the state in which their principal place of business is located.

(c) If the disputants are primary members of different Associations of REALTORS® but are secondary members of the same Association they remain obligated to arbitrate in accordance with the procedures of the state Association of REALTORS® of the state in which their principal place of business is located.

(d) If the disputants are primary members of Associations of REALTORS® in different states or if their principal places of business are in different states, then they remain obligated to arbitrate in accordance with the procedures of the state Association of REALTORS® in which the property giving cause to the dispute is located.

Arbitration will be conducted in accordance with any existing inter-association agreement or, alternatively, in accordance with the Inter-board Arbitration Procedures in the *Code of Ethics and Arbitration Manual* of the National Association Of REALTORS®.

Nothing in these Rules precludes *Brokers* from agreeing to arbitrate the dispute before a particular Association of REALTORS® or elsewhere.

Brokers must fulfill their obligation as a non-prevailing party in an Arbitration Hearing, within 10 days following receipt of the award, and if required under the policies of the REALTOR® Association(s) that conducted the arbitration, to either

(i) pay the award to the party(ies) named in the award, or
(ii) deposit an amount equal to the award, pending Procedural Review, as required by the REALTOR® Association conducting the proceedings.

Failure to satisfy the award or to deposit the funds with the REALTOR® Association within this time period, if so required by the REALTOR® Association(s) that conducted the arbitration, may be considered a violation of these Rules and may subject the Broker to disciplinary action as outlined in Section A above.

This requirement shall apply equally to Brokers regardless of their membership in an Association of REALTORS®.

I. Exhaustion of Remedies

Subscribers may not take legal action against another *Subscriber* for alleged Rules violations unless the complaining *Subscriber* has first exhausted the remedies provided in this policy.

Violation, enforcement, and sanction amounts are listed below:

In most circumstances you will have 2 calendar days to correct inaccurate data within the system, this is denoted where a Yes is located under the Warning column. A few fines are issued immediately without a warning to correct as they are rectified by Bright Staff. These are noted via a No under the Warning column and an immediate fine will be assessed. All associated fine amounts are listed under the Fine column. For repeat offenses the same fine amount will be issued for the appropriate violation.

- When a listing is reported as being publicly advertised yet is not in the MLS; enforcement is as follows:
    - Investigation will occur to determine if the property is an Office Exclusive or not and meets MLS entry requirements.
        - You will be requested to provide listing documentation to confirm listing entry information and compliance with Bright's Mandatory Submission rule 1.6.1. When an Office Exclusive property is publicly advertised it must be entered into the MLS within 1 business day. If the property is not entered a Mandatory Submission fine will be issued.

Rule	Warning	Summary	Sanction/Fine
1.5	Yes	Listing Agreements Supporting Listing Entry	$250
1.8	Yes	Inaccurate Listing Information	$100
1.6.1	No	Mandatory Submission/Late Listing Entry	$250
1.6.2	Yes	Clear Cooperation Policy	$5000
1.6.2	Yes	Clear Cooperation Policy – Rental	$500
1.6.3	Yes	Duplicate Listing Entry	$250
1.7	No	Branded Media (photos, virtual tours, documents)	$250
1.7	Yes	Unauthorized Use of Media – Copyright	$250
1.7	Yes	No Photo on Listing	$250
1.8.1	Yes	No Address on Listing	$250
1.8	No	Public Remarks Violation	$250
1.8.3	Yes	Incorrect Listing Status	$250
1.8.5	Yes	Required Disclosures Missing from Listing	$250
1.9.1	Yes	Untimely Update to Listing	$250
1.10	Yes	Misrepresentation of Showings	$250
1.11.1	Yes	Conditional Offer of Compensation	$250
2.5	Yes	Unauthorized Sharing of Access Credentials	$500
2.6	Yes	Failure to Provide Documentation Requested	$250