

Agreement for Participation Within Statewide Professional Standards Cooperative

(1) Authority

The authority for the establishment and utilization of the Statewide Professional Standards enforcement procedures shall be established by this Agreement approved by the Boards of Directors of Tennessee REALTORS®

(2) Geographic Area

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 which are signatories to this Agreement.

(3) Purpose

The purpose of this Agreement is to statewide professional standards enforcement procedures through a statewide Grievance Committee, Professional Standards Committee, and an Appeal Panel for enforcement of the Code of Ethics, including the mediation of disputes and the conduct of arbitration hearings, to ensure impartial and unbiased Hearing Panels for the conduct of hearings and meet the responsibilities of the signatory Boards on an efficient and effective basis to better serve their members.

(4) Composition of Committees and Tribunals

- (a) This Agreement authorizes the implementation of a statewide Grievance Committee and Professional Standards Committee. By agreeing to participate in the statewide agreement, the participating Local Board's current Grievance and Professional Standards Committee are effectively disbanded. Accordingly, all ethics complaints and arbitration requests filed with the participating Local Board shall be forwarded to Tennessee REALTORS®.
- (b) The Chair and Vice Chair of the statewide Professional Standards Committee shall be selected by the Tennessee REALTORS® President in accordance with Tennessee REALTORS® bylaws, policies and procedures.
- (c) Members of the Tennessee REALTORS® Grievance Committee shall be appointed by the President. Grievance Committee members shall be appointed to terms of two (2) years. Members of the Tennessee REALTORS Professional Standards Committee shall be appointed by the President. Professional Standards Committee members shall be appointed to terms of two (2) years. The maximum size of these committees will be established by the Tennessee REALTORS® policy and procedures manual. Mandatory training for the members of the Statewide Grievance Committee and Professional Standards Committee must be completed annually, with initial training completed within 90 days of their appointment. Members who have not completed the training requirement shall be removed from their respective committee
- (d) Members of the Grievance Committee and the Professional Standards Committee shall be appointed initially in terms of one (1) and two (2) years (one-half for each term). New appointments shall be made for two (2) year terms as each term expires. Members of the committees shall be eligible for reappointment per the association bylaws and policies.
- (e) Ethics complaints and requests for arbitration will initially be reviewed by a statewide Grievance Panel made up of no fewer than 7 members of the Grievance Committee
- (f) Every effort will be made to include a diverse group of committee members on each Grievance Panel and Professional Standards Panel, including diversity in geography and experience.
- (g) This Agreement also authorizes the establishment of an Appeals panel to deal specifically with any matter that ordinarily would be brought before the Board of Directors of a signatory Board or the State Association for determination. The Appeals Panel will be appointed by the President of Tennessee REALTORS® and will be comprised of five (5) members of the Board of Directors of Tennessee REALTORS® and/or the Professional Standards Committee.
- (h) This Agreement also authorizes the appointment of a panel of Mediation Officers. Although utilization of the service of mediation shall be voluntary 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.

(1) **Operation**

- (a) 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 signatory to this Agreement.
- (b) The Grievance Committee of Tennessee REALTORS® will initially consider ethics complaints or request for arbitration.
- (c) The Professional Standards Committee Chairman will appoint a hearing panel consisting of five (5) members of the Professional Standards Committee to hear all ethics complaints and arbitration requests.
- (d) Appeal to an ethics determination rendered by the Professional Standards Committee shall be heard by an Appeal Panel.
- (e) Appeal is not provided from the decision of an arbitration panel established under this Agreement, except with respect to a claim by a party alleging deprivation of due process. Such a claim shall be heard by an Appeal Panel.
- (f) Tennessee REALTORS® has the authority and the responsibility to enforce all discipline rendered by a Hearing Panel of the Professional Standards Committee in matters of alleged unethical conduct. The responsibility of the association and of association members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, 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, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law. This agreement authorizes the Tennessee REALTORS® to enforce any and all disciplinary action recommended in the hearing decision, including the right to fine, place on probation, suspend or expel a REALTOR® member from a signatory Board.
- (g) Tennessee REALTORS® has adopted Section 53 (c) – (f) of the *Code of Ethics and Arbitration Manual* for enforcement of arbitration awards.
- (h) 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 panel of five [5] members selected from the Professional Standards Committee to be appointed by the Committee's Chairperson and chosen from the individuals who were not selected to serve on the original Arbitration Hearing Panel. The procedure for notices, time of notices, and hearing prescribed for matters before a Hearing Panel shall apply. The sole question of fact to decide will be whether the party has refused to submit an arbitrable matter to arbitration. Upon determination that the member has refused to arbitrate or mediate a properly arbitrable matter, the (specify body—name of tribunal) may direct implementation of appropriate sanction, including but not limited to suspension or expulsion of the member from the local Board of REALTORS® and/or its MLS. The decision of the Hearing Panel shall be final and binding and is not subject to further review by the State Association or any signatory Board.
- (i) This agreement also authorizes the Tennessee REALTORS® to access the membership files of the signatory Board of a party to an ethics hearing to determine the appropriate severity of sanction.
- (j) Signatory Boards with available facilities will provide those facilities for hearings at no cost to the State Association.
- (k) The staff at the Tennessee REALTORS® will administer the procedures outlined in this agreement.
- (l) All Ethic violators with two violations within a three-year period are published in a state publication stating their name, article violated and sanction.
- (m) If an arbitration settlement is achieved prior to an arbitration hearing, the State Association shall retain 50 percent of the initial filing fee if notified within 15 days prior to the hearing and return the remaining amount to be filer. The filing fee is non-refundable without at least 15 days' notice prior to the hearing.

(2) Reservation of Rights

- (a) It is understood and agreed by the Board's signatory to this Agreement that each Board 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.
- (b) It is further understood and agreed that any Board signatory to this Agreement may withdraw from the Agreement at any time provided the withdrawing Board shall provide notice to the Statewide Professional Standards Committee ninety (90) days in advance of the date of withdrawal. Such withdrawal or change of option shall not effect any ethics complaint or arbitration request made to the signatory Board prior to the date of withdrawal.

(3) Authority

- (a) This Agreement may be signed by the parties in separate counterparts and the separate counterparts shall form a single binding Agreement the same as if the signatures of all parties appeared on the same document.
- (b) The undersigned represent that they have been duly authorized to sign this Agreement.

IN WITNESS THEREOF, the parties have hereto set their hands and seals on this _____ day of _____, 20_____.
The effective date of this Agreement shall be _____, 20_____.

Tennessee REALTORS®

By: _____ By: _____
Its President Its Chief Executive Officer

Date: _____, 20_____

Board/Association of REALTORS®

By: _____ By: _____
Its President Its Chief Executive Officer

Date: _____, 20_____