



## Agreement to Establish Statewide Professional Standards Cooperative

### I. **Authority**

The authority for the establishment and utilization of the Statewide Professional Standards Cooperative (the “Cooperative”) shall be established by this Agreement approved by the Board of Directors of the Oklahoma Association of REALTORS® (“OAR”), and by the Board of Directors of \_\_\_\_\_ (a “Participating Local”), confirmed by approval of the general membership of Participating Local at a duly-called meeting with notice as required by its bylaws.

### II. **Geographic Area**

The geographic area served by this Agreement shall be the area of the combined territorial jurisdiction assigned to all Participating Locals by the NATIONAL ASSOCIATION OF REALTORS®, which are signatories to this Agreement, and have agreed to participate in the Cooperative.

### III. **Purpose**

OAR has created a Statewide Professional Standards Cooperative for the purpose of helping Participating Locals meet their responsibilities to enforce the Code of Ethics. Through this cooperative program, OAR will fulfill the necessary and required administrative responsibilities of the Participating Locals.

### IV. **Operation**

A. This agreement authorizes OAR to staff and operate the Cooperative, including the oversight of terms and conditions of this Agreement, the establishment and periodic modification of all related rules, policies and procedures, and the amendment and/or adoption of language necessary to complete the optional portions of the NAR Code of Ethics and Arbitration Manual. Substantive decisions regarding the policies, rules and procedures of the Cooperative will be subject to approval by the OAR Board of Directors.

- B. It is acknowledged and understood that the Cooperative will be providing services to Participating Locals as part of a fee-based program. Fees will be established based on criteria and procedures included in the OAR Statewide Professional Standards Cooperative Policies and Procedures (attached as Exhibit A), and are subject to review and revision each year by OAR based on the budgetary needs of the Cooperative.
- C. All enforcement proceedings 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. The CEAM has been adopted by reference and incorporated into the bylaws of the Participating Local.
- D. This Agreement authorizes the establishment of an Ethics Citation Program that shall be governed by the terms of the Ethics Citation Program Guidelines (attached) and as may be amended from time to time by OAR.
- E. In matters of alleged unethical conduct, any final determination by a Review Panel will be provided to the Participating Local of which respondent is a member for informational purposes only, unless the sanction involves suspension or expulsion, in which case the determination will be provided for the purpose of enforcement by the Primary Board/Association. The decision of a Review Panel shall be final and binding, subject to the appeal process of the OAR Statewide Professional Standards Cooperative Policies and Procedures, and is not subject to further review by that association or by any other association.
- F. In matters involving arbitration, any final determination will be provided to each respective party's Primary Board/Association for informational purposes only. In the event a party refuses to pay an arbitration award, the award recipient will be advised to seek judicial enforcement as set forth in Section 56, Part 10, and in Appendix III, Part 10, of the Code of Ethics and Arbitration Manual.
- G. In the event a complaint alleges that the respondent has improperly refused to submit a dispute to arbitration, the allegation shall be brought before an Executive Panel of at least five (5) Review Panelists appointed from the OAR Board of Directors. The procedure for notices, times 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 in violation of Article 17. Upon determination that the member has refused to arbitrate a properly arbitrable matter, the Panel may direct implementation of appropriate sanction(s), including suspension or expulsion of the member from the Participating Local and/or its MLS. The decision of the Executive Panel shall be final and binding subject to the appeal process of the OAR Statewide Professional Standards Cooperative Policies and Procedures and is not subject to further review by the Participating Local.

- H. OAR will provide education/training required of all local/state Professional Standards and Grievance committee members to attend at no additional expense to the local boards.

**V. Composition and Qualification of Tribunals**

- A. This Agreement authorizes the creation of a statewide Grievance Committee and a statewide Professional Standards Committee.
  - 1. Each Participating Local shall have the right and obligation to directly appoint local members to serve on each committee (“Local Appointments”) pursuant to the appointment rules and member qualifications established in the Cooperative Policies and Procedures. OAR reserves the right to appoint additional committee members as necessary to ensure that the committees contain appropriate geographical and practice-based representation.
  - 2. The chair and vice-chair of each committee will be selected by OAR.
- B. This Agreement also authorizes the appointment of Review Panelists pursuant to the Cooperative Policies and Procedures.
- C. Ethics complaints and requests for arbitration will initially be reviewed by a Grievance Panel made up of no fewer than five (5) members of the Grievance Committee. Every effort will be made to include a diverse group of committee members on each Grievance Panel, including diversity in geography and experience.
- D. Appeals from Grievance Committee decisions will be heard by a Grievance Appeal Panel made up of no fewer than five (5) members of the Grievance Committee who were not involved in the decision being appealed.
- E. Ethics and Arbitration hearings will be conducted by a Hearing Panel made up of three (3) or five (5) members of the Professional Standards Committee, with an alternate panel member wherever possible. Every effort will be made to select panelists in reasonably close geographic proximity to the parties and witnesses, based on criteria and policies as stated in the Cooperative Policies and Procedures.
- F. All Ethics determinations, whether or not appealed, and any arbitration awards subject to a request for procedural review, will be reviewed by a Review Panel made up of no fewer than five (5) Review Panelists selected from qualified members of the OAR Board of Directors who have not previously been involved in the case.

**VI. Reservation of Rights**

- A. It is understood and agreed that each Participating Local reserves to itself all authority, rights and privileges assigned to it by its Charter and agreement with the NATIONAL ASSOCIATION OF REALTORS®, except as voluntarily modified by this Agreement.
- B. This Agreement is to be construed as a year-to-year agreement with an original term that begins on the latest acceptance date noted below and ends on December 31, 2014, with automatic one-year renewal terms running from January 1-December 31 of each subsequent year. A

Participating Local may terminate this Agreement and withdraw from the Cooperative at the end of any calendar year if it provides notice of its decision to OAR at least sixty (60) days prior to the end of that year, and may withdraw from the Cooperative at any time during the year by providing notice at least ninety (90) days prior to the withdrawal date. In the event a Participating Local withdraws prior to the end of the calendar year, any pre-paid fees will not be refunded.

- C. OAR reserves the right to terminate the Agreement and dissolve the Cooperative at the end of any calendar year by providing notice of its decision at least one hundred and eighty (180) days prior to the end of the year.

**Acceptance by Participating Local**

This Agreement has been approved and accepted by the Board of Directors

\_\_\_\_\_ *Participating Local*

at its meeting held on \_\_\_\_\_, and confirmed by the general membership at a \_\_\_\_\_ *Date*

meeting held on \_\_\_\_\_ *Date*.

Signature:

\_\_\_\_\_

Local President:

\_\_\_\_\_

Date: \_\_\_\_\_

**Acceptance by Oklahoma Association of REALTORS®**

Signature: \_\_\_\_\_

OAR President:

\_\_\_\_\_

Date: \_\_\_\_\_

## ADDENDUM

This Addendum changes the original Agreement to Establish Statewide Professional Standards Cooperative document to include the following which revises Section IV. Committee Appointments, Subsection E (4) as follows:

- 1) Each year, all appointees to the Grievance Committee and Professional Standards Committee must complete education/training requirements approved by OAR before becoming eligible to serve on any panel. Failure to complete the training by the date established by OAR will result in automatic removal from the committee for that year. In the event the training is not offered until after the start of the year of service, committee members who had successfully completed training the prior year shall be eligible for panel appointments.
- 2) In addition, OAR agrees to provide such education/training requirements annually to all incoming committee appointees.

This Addendum is a part of the Agreement to Establish Statewide Professional Standards Cooperative dated \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

### Acceptance by Participating Local

Signature: \_\_\_\_\_

Local President: \_\_\_\_\_

Date: \_\_\_\_\_

### Acceptance by Oklahoma Association of REALTORS®

Signature: \_\_\_\_\_

OAR President: \_\_\_\_\_

Date: \_\_\_\_\_