

**PACIFIC REGIONAL MLS
PENALTY POLICY/COMPLIANCE WITH RULES**

COMPLIANCE WITH RULES AND AUTHORITY TO IMPOSE DISCIPLINE

Reference Section 14 PACMLS Rules

The Pacific Regional MLS is responsible for the enforcement of PACMLS MLS Rules and Regulations. All written complaints involving violations of the PACMLS MLS Rules and Regulations will be considered by the PACMLS in accordance with this policy. All complaints of unethical conduct or requests for arbitration may be referred to the Association with which the Participant holds Realtor membership or to the Association within which Participant obtains his/her MLS access.

Integrity of data is the most precious commodity that any MLS has. Protection of the integrity of the data is a challenging task, but is paramount to providing our Subscribers with the best and most accurate data in order to serve the day to day needs of the consumers that are your clients.

By becoming and remaining a Participant or Subscriber in this MLS, each Participant and Subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these Rules, impose discipline for violations of the rules and other MLS governance provisions.

In order to better serve our membership and safeguard the information contained in the MLS database, the PACMLS has enacted the following Penalty Policy.

This policy does not cover violations of the Code of Ethics which fall under the jurisdiction of the Washington Association of Realtors or those local Associations which comprise the PACMLS. Therefore, professional standards enforcement is administered through your local Association of Realtors.

This Penalty Policy is in addition to and does not replace any provisions of Section 14 of the PACMLS Rules.

SECTION 1. PENALTY PROCESS

- A. Fines and other penalties will be administered by the individual shareholder associations of PACMLS in which the Participant holds Primary membership according to this Policy and Penalty Schedule, and are subject to change by the PACMLS Board of Directors.

- B. Potential violations of the PACMLS MLS Rules and Regulations are reported to the Shareholder Associations' staff in a variety of ways. A subscriber may report a potential violation using the "Correction" button on each listing or the "Agent Reported" button located within customized listing spreadsheet feature, or through other means of communication. PACMLS or Shareholder Associations may require that verbal or phone reports be reduced to writing before action is taken. Our automatic listing review software may identify one or more potential violations within a listing. Additionally, PACMLS and Shareholder Associations' staff may find potential violations by randomly checking listings or by researching listings due to another violation that has been reported. Not all violations will incur a penalty, as described herein.
- C. Most violations must be corrected within two (2) calendar days of notice., others require an immediate correction. Notice is provided by email to the address on file with the PACMLS. Violations which remain uncorrected subject the violator to the imposition of new penalties and removal from the listing from active display.
- D. A listing that contains one or more violations of the Penalty Policy is considered a violation event for purposes of the Fine Schedule regardless of the category or nature of the violation.
- E. A listing that contains more than one violation on the same day will be treated as a single violation for purposes of the Fine Schedule. Multiple violations that occur on the same day but are reported separately are treated as a single violation.
- F. Tier I and Tier II violations and fines will be waived if notice of the violation occurs more than 180 days after the listing has been sold, canceled or expired.
- G. If a Violator believes that a violation notice and fine was issued in error, the Violator may request a hearing in accordance to the procedures set out by their Association. Prior to requesting a hearing, the violation must be corrected.
- H. Failure to pay assessed fines may result in suspension of MLS privileges.
- I. The Shareholder Associations reserve the right, at their discretion, to charge a Participant or Subscriber with rules violations by virtue of the hearing process, including the possibility of additional fees or fines, suspension or expulsion, rather than utilizing the penalty process. Thus, the below fines may not be all inclusive.

- J. The Shareholder Associations also reserve the right to assess penalties for repeat offenses and repeat rules violators, at their discretion.
- K. Reporting of violations will remain confidential.

SECTION 1. FINES SCHEDULE

The PACMLS will issue violation notices and/or assess fines for MLS data inaccuracies or misuse in the following categories:

Tier One: Non and Low Penalty Violations

Tier Two: Penalty Violations

Tier Three: High Penalty Violations

TIER ONE: NON OR LOW PENALTY VIOLATIONS

Non or low penalty violations are primarily factual errors that lead to inaccurate listing data and often affect other fields of calculations within the listing.

Violation: Warning letter with specific instruction to correct within two calendar days. If not corrected as specified, \$100 per day up to a maximum of \$3000.

The maximum accumulated fine for a single violation may not exceed the top amount of \$15,000 as allowed by NAR for assessment of financial penalty. If the maximum accumulated fine amount has been assessed and the violation has not been corrected, the Violator's MLS privileges may be suspended until all accumulated fines have been paid and the noted violation has been corrected.

TIER TWO: MODERATE PENALTY VIOLATIONS

Tier Two Moderate Penalty Violations are those which can cause damage to the Listing Broker(s) or Selling Broker(s). If the violation is not correctable, the maximum fine amount applies.

Violation: \$100 per day up to a maximum of \$4000.

The maximum accumulated fine for a single violation may not exceed the top amount of \$15,000 as allowed by NAR for assessment of financial penalty. If the maximum accumulated fine amount has been assessed and the violation has not been corrected, the

Violator's MLS privileges may be suspended until all accumulated fines have been paid and the noted violation has been corrected.

TIER THREE: HIGH PENALTY VIOLATIONS

High penalty violations are those which can cause damage to the seller(s), buyer(s), or public. If the violation is not correctable, the maximum fine amount applies.

Violation: \$200 per day until corrected, up to a maximum of \$15,000.

The maximum accumulated fine for a single violation may not exceed the top amount of \$15,000 as allowed by NAR for assessment of financial penalty. If the maximum accumulated fine amount has been assessed and the violation has not been corrected, the Violator's MLS privileges may be suspended until all accumulated fines have been paid and the noted violation has been corrected.