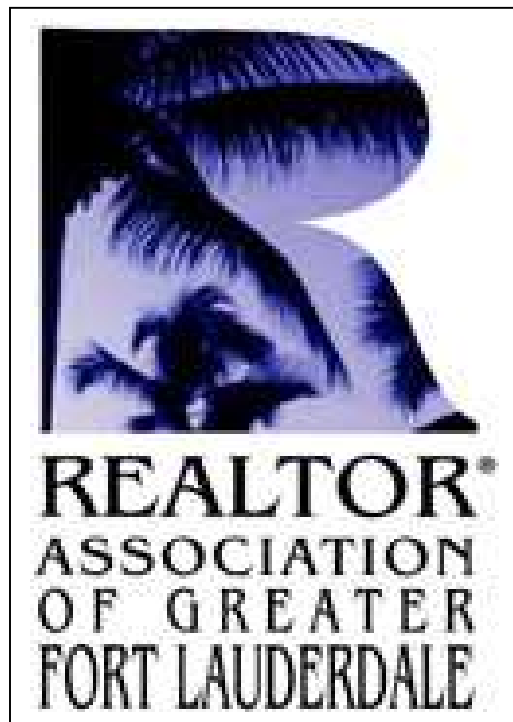


**REALTOR® ASSOCIATION
OF GREATER FORT LAUDERDALE, INC.**

2007

**PROFESSIONAL STANDARDS
ARBITRATION PROCEDURES**



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Phone: (954) 563-7261 • Fax: (954) 568-9695
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For Assoc. Use Only:

Case # _____

Date Rec'd: _____

Form #A-1

REALTOR Association of Greater Fort Lauderdale
1765 NE 26th Street, Fort Lauderdale, Florida 33305

Request and Agreement to Arbitrate

(1) The undersigned, by becoming and remaining a member of the REALTOR® Association of Greater Fort Lauderdale (or Participant in its MLS), has previously consented to arbitration through the Board under its rules and regulations.

(2) I am informed that each person named below is a member in good standing of the Board (or Participant in its MLS), or was a member of said Board of REALTORS® at the time the dispute arose.

(3) A dispute arising out of the real estate business as defined by Article 17 of the Code of Ethics exists between me (or my firm) and (list all persons and/or firms you wish to name as respondents to this arbitration):

_____, REALTOR® associate _____
Name (Print Name of Sales Associate) Address

_____, REALTOR® associate _____
Name (Print Name of Sales Associate) Address

Firm Address

(4) There is due, unpaid and owing to me (or I retain) from the above-named persons the sum of \$_____. My claim is predicated upon the statement attached, marked Exhibit I and incorporated by reference into this application.

(5) I request and consent to arbitration through the Board in accordance with its *Code of Ethics and Arbitration Manual* (alternatively, "in accordance with the professional standards procedures set forth in the bylaws of the Board"), and I agree to abide by the arbitration award and to comply with it promptly.

In the event I do not comply with the arbitration award and it is necessary for any party to this arbitration to obtain judicial confirmation and enforcement of the arbitration award against me, I agree to pay the party obtaining such confirmation the costs and reasonable attorney's fees incurred in obtaining such confirmation and enforcement.

(6) I enclose my check in the sum of \$350.00 for the arbitration filing deposit. *(Must accompany Request Form #A-1. Not to exceed \$500)*

(7) I understand that I may be represented by legal counsel, and that I should give written notice no less than fifteen (15) days before the hearing of the name, address, and phone number of my attorney to all parties and the Board. Failure to provide this notice may result in a continuance of the hearing, if the Hearing Panel determines that the rights of the other party(ies) require representation.

Form#A-1, Request and Agreement to Arbitrate, continued

Each party must provide a list of the names of witnesses he intends to call at the hearing to the Board and to all other parties not less than fifteen (15) days prior to the hearing. Each party shall arrange for his witnesses to be present at the time and place designated for the hearing. The following REALTOR® nonprincipal (or REALTOR-ASSOCIATE® nonprincipal) affiliated with my firm has a financial interest in the outcome of the proceeding and has the right to be present throughout the hearing:

_____.

(8) I declare that this application and the allegations contained herein are true and correct to the best of my knowledge and belief and this request for arbitration is filed within one hundred eighty (180) days after the closing of the transaction, if any, or within one hundred eighty (180) days after the facts constituting the arbitrable matter could have been known in the exercise of reasonable diligence, whichever is later.

(9) If either party to an arbitration request believes that the Grievance Committee has incorrectly classified the issue presented in the request (i.e., mandatory or voluntary), the party has twenty (20) days from the date of receipt of the Grievance Committee's decision to file a written appeal of the decision. Only those materials that the Grievance Committee had at the time of its determination may be considered with the appeal by the Board of Directors.

(10) Are the circumstances giving rise to this arbitration request the subject of civil litigation? () Yes () No

(11) Important note related to arbitration conducted pursuant to Standard of Practice 17-4(1) or (2): Where arbitration is conducted between two (or more) cooperating brokers pursuant to Standard of Practice 17-4(1) or (2), the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the listing broker and any amount credited or paid to a party to the transaction of the direction of the respondent.

(12) I/We agree to Mediation prior to Arbitration: () Yes () No

Complainant(s):

Name of REALTOR Principal (Type/Print)

Signature of REALTOR® Principal

Address

(_____)_____
Telephone

Name of REALTOR (Type/Print)

Signature of REALTOR®

Address

(_____)_____
Telephone

*In cases where arbitration is required in the name of the firm comprised of REALTORS® (principals), the request must be signed by at least one of the REALTOR® principals of the firm as a co-complainant.

REALTOR® ASSOCIATION OF GREATER FORT LAUDERDALE
Arbitration Documentation Checklist

ATTACHMENT "B"

The following checklist is designed to assist you in providing the proper documentation when filing or responding to an arbitration with the REALTOR® Association of Greater Fort Lauderdale. Please include with your complaint all applicable documentation. FAILURE TO PROVIDE PERTINENT DOCUMENTS MAY RESULT IN A DELAY OR DISMISSAL OF YOUR CASE.

- _____ Listing Agreement
- _____ Profile Sheet
- _____ Any Disclosure Forms
- _____ Contract For Sale & Purchase
- _____ Addendum
- _____ Warrantees/Guarantees
- _____ Copies of Checks
- _____ Entire Inspection Reports
- _____ Walk-through Forms
- _____ Advertisements
- _____ Exclusive Rental Listing Agreement
- _____ Memorandum To Enter Into A Lease Agreement
- _____ Lease
- _____ Conditional/Unconditional Withdrawal
- _____ Bills (i.e., water, electric)
- _____ Correspondence
- _____ Closing Statement
- _____ Other Documentation

Complainant's Signature

Date

Complainant's Signature

Date

Please return this form with your request.

ARBITRATION

From the National Association of REALTORS Code of Ethics & Arbitration Manual

1. Article 17 of the Code of Ethics

"In the event of contractual disputes or specific non-contractual disputes as defined in Standard of Practice 17-4 between REALTORS (principals) associated with different firms, arising out of their relationship as REALTORS, the REALTORS shall submit the dispute to arbitration in accordance with the regulations of their Board or Boards rather than to litigate the matter.

In the event clients of REALTORS wish to arbitrate contractual disputes arising out of real estate transactions, REALTORS shall arbitrate those disputes in accordance with the regulations of their Board, provided the clients agree to be bound by the decision.

The obligation to participate in arbitration contemplated by this Article includes the obligation of REALTORS (principals) to cause their firms to arbitrate and be bound by any award." (Amended 1/01)

2. Circumstances under which REALTORS® must submit to arbitration

(a) Every REALTOR® of the Board who is a REALTOR® principal, every REALTOR® principal who participates in a Board's MLS where they do not hold Board membership and every nonmember broker or licensed or certified appraiser who is a Participant in the Board's MLS shall have the right to invoke the Board's arbitration facilities in any dispute arising out of the real estate business with a REALTOR® principal in another real estate firm or with that firm (or both), or nonmember broker/appraiser or their firm (or both) who is a Participant in the Board's MLS. (Revised 05/01)

(b) A REALTOR® other than a principal or a REALTOR-ASSOCIATE® shall have the right to invoke the arbitration facilities of the Board in a business dispute with a REALTOR® or REALTOR-ASSOCIATE® in another firm or with their firm (or both), whether in the same or a different Board, provided the REALTOR® principal with whom he is associated joins in the arbitration request, and requests arbitration with the REALTOR® principal of the other firm or with their firm (or both). Arbitration in such cases shall be between the REALTOR® principals or their firms (or both). REALTOR® nonprincipals and REALTOR-ASSOCIATE®s who invoke arbitration in this manner, or who are affiliated with a respondent and have a vested financial interest in the outcome, have the right to be present throughout the proceedings and to participate but are not considered to be parties. (Amended 05/01)

(c) A client of a REALTOR® principal may invoke the facilities of the Board in a business dispute with a REALTOR® principal or the REALTOR®'s firm (or both) arising out of an agency relationship, provided the client agrees to be bound by the arbitration. In the event of such request and agreement the Board will arbitrate the dispute subject to the Board's right to decline arbitration based on the amount involved or the legal complexity of the dispute. A REALTOR® principal may also invoke arbitration against his client but no arbitration may be held without the client's voluntary agreement to arbitrate and to be bound by the decision. (Revised 05/01)

3. Circumstances under which arbitration is contingent upon the REALTOR®'s voluntary participation

(a) REALTORS® and REALTOR-ASSOCIATE®s who are or were affiliated with the same firm shall have the right to invoke the arbitration facilities of the Board, provided each party voluntarily agrees to the arbitration in writing and the Board finds the matter properly subject to arbitration. This privilege as stated applies to

disputes arising when the parties are or were affiliated with the same firm, irrespective of the time request is made for such arbitration. (Amended 11/95)

(b) A REALTOR® principal may invoke the arbitration facilities of the Board in a dispute arising out of the real estate business with a nonmember broker, provided each party agrees in writing to the arbitration and provided the Board finds the matter properly subject to arbitration. However, it shall be optional with the member as to whether he will submit to a claim to arbitration by a nonmember broker who is not an MLS Participant. A nonmember broker who is not an MLS Participant or nonmember salesperson shall not be entitled to invoke the arbitration facilities of the Board of REALTORS®. (Revised 11/95)

(c) Business disputes between a REALTOR® principal and a customer of the REALTOR® principal may be arbitrated by the Board if a written contractual relationship has been created by a REALTOR® principal between a customer and a client and provided all parties to the dispute (i.e., the customer and the REALTOR®) agree in writing to arbitrate the dispute. (Amended 11/95)

4. Board's right to release parties from their obligation to arbitrate

If either the Grievance Committee or the arbitration panel determines that because of the amount involved or the legal complexity of the dispute the dispute should not be arbitrated, the arbitration shall automatically terminate unless either of the parties to the dispute appeals the decision to terminate the proceedings to the Board of Directors within twenty (20) days of the date of notice that the Grievance Committee or the arbitration panel declined to continue the proceeding. The Hearing Panel can also dismiss the arbitration request if the Hearing Panel concludes the matter is not arbitrable. In the event of such an appeal, the Grievance Committee or the arbitration panel shall report its conclusions to the Board of Directors and, if the Board of Directors concurs, the arbitration shall terminate and the parties shall be relieved of their obligation to arbitrate. In this event, or in the event of no appeal, any deposits made by the parties shall be returned to them. However, if the Board of Directors decides that the arbitration should proceed, the matter shall be remanded to the Grievance Committee or the arbitration panel for further proceedings. (Revised 11/95)

5. Failure to submit to arbitration

If the complaint against a REALTOR® principal is that he has improperly refused to submit a dispute to arbitration, the complaint shall not be referred to the Grievance Committee or a Hearing Panel but shall be brought before the Board of Directors at the next regular meeting or at a special meeting called by the President for that purpose. The procedures for notices, time of notice, and hearing prescribed for matters before a Hearing Panel shall apply. The sole question of fact for the Directors to decide will be whether the respondent has failed to submit an arbitrable matter to arbitration. Upon determination that the member has refused to arbitrate a properly arbitrable matter, the Board of Directors may direct the implementation of appropriate sanction and should, if it has reason to believe that the imposition of sanction will become the basis of litigation and a claim for damages consequent to such sanction, delay the effective date of implementing the sanction to a date following receipt by the Board of a judicial decision in a petition for declaratory relief filed by the Board to confirm the propriety of its action. (Revised 11/95)

6. Failure to abide by an award rendered by a Hearing Panel

If the complaint against the REALTOR® principal is that, having properly submitted a dispute to arbitration, he has refused to abide by an award, such refusal should not be referred to the Grievance Committee as a violation of the Code of Ethics unless such refusal reflects an established pattern or practice of noncompliance with the commitment to arbitrate. A refusal to abide by an award in arbitration should be enforced in the

manner set forth in the NAR's Code of Ethics and Arbitration Manual (hereinafter referred to as the Manual), Part Ten, Arbitration of Disputes, Section 56, Enforcement. (Revised 11/95)

Part Ten, Arbitration of Disputes, Section 56 Enforcement – The judgment of any competent court of record in Florida, state or federal, may be rendered upon the award. If a member fails to comply with an award, the recipient to whom the award has been rendered by the arbitration panel shall be advised by the Board to seek judicial enforcement and to request reimbursement of legal fees incurred in seeking enforcement. At the discretion of the Board of Directors, the Board may support the request for judicial enforcement in the court, and as its further discretion, the Board may reimburse the individual for costs incurred in seeking such judicial enforcement if the court does not grant reimbursement of legal costs to the plaintiff.

Upon determination that the member has refused to arbitrate a properly arbitrable matter, the Board of Directors may direct the implementation of appropriate sanction and should, if it has reason to believe that the imposition of sanction will become the basis of litigation and a claim for damages consequent to such sanction, delay the effective date of implementing the sanction to a date following receipt by the Board of a judicial decision in a petition for declaratory relief filed by the Board to confirm the propriety of its action.

7. No predetermination of any award in an arbitrable matter (Interpretation No. 31, Article I, Section 2, Bylaws, NATIONAL ASSOCIATION OF REALTORS®)

"A Board rule or a rule of a Multiple Listing Service owned by, operated by, or affiliated with a Board which establishes, limits, or restricts the REALTOR® in his relations with a potential purchaser, affecting recognition periods or purporting to predetermine entitlement to any award in arbitration, is an inequitable limitation on its membership."

Explanation of Official Interpretation No. 31: "In essence, this is a specific Interpretation of the general rule established in Interpretation No. 6 that a Board may not have a rule which restricts or limits the REALTOR® in the conduct of his business unless it concerns ethical practice. Thus, a rule of a Board or Multiple Listing Service which would determine a protection period in reference to a prospective purchaser is an inequitable limitation. Further, the Board or its MLS may not establish a rule or regulation which purports to predetermine entitlement to any awards in a real estate transaction. If controversy arises as to entitlement to any awards, it shall be determined by a hearing in arbitration on the merits of all ascertainable facts in the context of the specific case of controversy."* (*In connection with this National Association policy, refer to Part Ten, Appendix II, Arbitration Guidelines, of the Manual.)

8. Holding of disputed funds by the Board of Directors

Member Boards shall not make a requirement that disputed funds be deposited with the Board by the respondent in an arbitration matter prior to an arbitration hearing, as it is beyond the legitimate authority of the Board or its Professional Standards Committee. However, this does not relieve REALTORS® of their responsibility to be prepared to abide by any determination made by the Board's arbitration panel and to satisfy any award in a prompt manner. (Revised 11/87) (See #11 "The Arbitration Award" below for policy regarding escrowing funds in dispute)

9. Arbitration when dispute is between REALTORS® affiliated with different firms and the REALTORS® are both members of the same two (or more) Boards

The following factors determine the appropriate Board to conduct arbitration hearings in instances where parties hold membership in more than one Board or MLS:

- Where all parties hold Realtor® membership or hold MLS participatory rights under the universal access to services component of Board of Choice in only one Board, that Board shall conduct arbitration.
- Where all parties hold Realtor® membership or hold MLS participatory rights under the universal access to services component of Board of Choice in the same two (or more) Boards, arbitration will be conducted by the Board in which the property giving rise to the dispute is located. If the property is not within the jurisdiction of those Boards, the Board in which the arbitration request is filed will conduct arbitration.
- Where all parties do not hold membership in the same Board, and do not have MLS participatory rights under the universal access to services component of Board of Choice through the same Board, complainants may, at their discretion, invoke interboard arbitration or, alternatively, file arbitration requests with any Board in which the respondent holds Realtor® membership or holds MLS participatory rights under the universal access to services component of Board of Choice. Pursuant to this provision, Boards must provide arbitration services in circumstances where it is determined by the Grievance Committee that an arbitrable dispute exists and the dispute is subject to mandatory arbitration. (Revised 11/00)

10. Confidentiality of determinations rendered in ethics and arbitration hearings

The allegations, findings, and decisions rendered in ethics and arbitration hearings are confidential and should not be reported or published by the Board, any member of a tribunal, or any party under any circumstances except those established in the Code of Ethics and Arbitration Manual of the National Association as from time to time amended. (Revised 11/91)

11. The Arbitration Award

In accordance with Section 53(c)-(f) of the Manual:

a. If an award has been rendered, the non-prevailing party must, within ten (10) days following receipt of the award, either (1) pay the award to the party(ies) named in the award or (2) deposit the funds with the Board Secretary or Board Executive Officer to be held in a special Board escrow account maintained for this purpose. Failure to satisfy the award or to deposit the funds with the Board within this time period may be considered a violation of a membership duty and may subject the member to disciplinary action at the discretion of the Board of Directors. (Adopted by NAR 11/87)

The non-prevailing party shall have twenty (20) days following receipt of the award to request procedural review of the arbitration hearing procedure or to have legal counsel notify the Board Secretary or Executive Officer that a legal challenge to the validity of the award has been initiated. (Adopted by NAR 11/87)

b. If a request for limited procedural review of the arbitration procedure is received within twenty (20) days, the funds deposited with the Board shall be retained in the Board's escrow account until the review is completed. If the arbitration award is confirmed by the Board of Directors following the conduct of the limited procedural review, the non-prevailing party shall have an additional fifteen (15) days to institute an appropriate legal challenge to the validity of the arbitration award. In such case, the non-prevailing party shall also cause legal counsel to advise the Board in writing that a suit challenging the validity of the arbitration award has been filed during this additional fifteen (15) day period. After fifteen (15) days, if written notice of a suit challenging the validity of the arbitration award has not been received by the Board, the funds shall be released from escrow and paid to the prevailing party. If written notification is received during the fifteen (15) day period, the funds will be held in escrow pending the determination of the matter by a court of competent jurisdiction. (Adopted by NAR 11/87)

If a non-prevailing party does not request the Board to conduct a procedural review of the arbitration hearing process during the twenty (20) day period following service of the award, then written notification that a legal challenge has been instituted must be received within the twenty (20) days following service of the award. Failure to provide written notification that a suit challenging the validity of the award has been filed within twenty (20) days following the service of the award will result in the award being paid from the Board's escrow to the prevailing party. (Adopted by NAR 11/87)

c. Any failure to make the necessary deposits with the Board shall be referred to the Board of Directors for action at their next meeting or at a special meeting called for that purpose. The party failing to make the deposit on a timely basis shall be advised of the date, time, and place of the meeting and shall have an opportunity to explain why the required deposits were not made on a timely basis. The Board of Directors may, at its discretion, impose discipline or may give the party an additional period to make the required deposits. The Directors may also stipulate appropriate discipline to be automatically imposed if the party fails to make the deposit within the time established by the Directors. (Adopted by NAR 11/87)

d. Any interest accrued on the escrowed funds shall become the property of the party to whom the funds are ultimately released by the Board. (Adopted by NAR 11/87)



REALTOR® Association of Greater Fort Lauderdale

MEDIATION – THE WAY TO GO

REALTOR® Professionalism Series

From the

NATIONAL ASSOCIATION OF REALTORS®

The voice for Real Estate®

BUSINESS DISPUTES BETWEEN REALTORS®, OR WITH CLIENTS AND CUSTOMERS

Even professionals who are committed to high standards of conduct will occasionally have honest business disputes. This is an ongoing need for efficient and economical mechanisms to resolve such disputes. Arbitration is valuable, but mediation is simpler and easier.

MEDIATION, AN ATTRACTIVE ALTERNATIVE TO ARBITRATION

1. The goal is to amicably and voluntarily resolve business disputes between Realtors.
2. More amicable resolution results.
3. Pitfalls: mediation may waste time and effort if the dispute is between fixed minds.
4. No resolution is reached if a party or parties is/are unwilling to negotiate.

THE MEDIATION PROCESS

The mediation process is an orderly series of events established by the mediator and agreed to by the parties.

A tried and proven process is:

1. Parties present the facts.
2. Parties express feelings.
3. Mediator encourages discussion.
4. Mediator may talk one-on-one to parties.
5. Offers are invited from the parties.
6. If parties are not progressing, the mediator may offer a solution.
7. Mediator may suggest "quitting" due to lack of progress in mediation.
8. Often success results when parties face up to the possibilities for resolution through mediation rather than arbitration.
9. Success often results when parties are presented with the consequence of arbitration.

MEDIATION REQUIREMENTS

1. Association must authorize and offer mediation.
2. Members must be aware of process and what it can do.
3. Mediator must possess:
 - (a) Knowledge
 - (b) Experience
 - (c) Conciliatory personality

ASSOCIATION'S MEDIATION PROCEDURES

1. Must be purely voluntary.
2. Any proposed resolution is completely confidential.
3. Advance notice and reasonable scheduling for convenience of the parties must be given.

Why Mediate?

Associations report a success rate of mediation programs which ranges from 50-90% of all disputes that come to them.

Resolution of such a high percentage of disputes are association success stories in every respect.

First, a majority of disputes mediated are successfully resolved.

Secondly, disputes are resolved in a more informal, relaxed and amicable environment than when arbitrated. Mediation involves sitting around the table rather than facing each other across the table.

Thirdly, the mediation process involves fewer people and is therefore less demanding upon persons involved and upon the association's final resources.

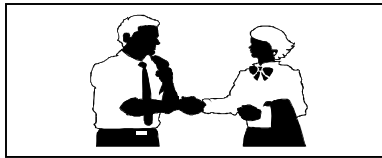
Finally, parties to a successful mediation can leave fully satisfied that they participated in the decision and agreed it is a reasonable resolution. There is no "winner" and no "loser" in a successful mediation. Both parties are "winners."

The NATIONAL ASSOCIATION OF REALTORS® Professional Standards Committee requires member Boards/Associations to provide mediation as a preliminary alternative to arbitration. A successful mediation program will relieve stress upon the board/association's resources if the board/association has a significant arbitration case load.

A mediator must be intelligent, informed, and highly knowledgeable about real estate practice. He/she must also know the principles of due process and procuring cause. He/she should be articulate, courteous, diplomatic, and have a reputation for integrity and fairness beyond reproach. The key to successful mediation is a competent and caring mediation officer.

The board/association will enhance its mediation effort by maintaining a group of effective mediators from which an expert individual may be selected.

Mediation is purely voluntary. No one has to use it, but that's what makes it attractive. It can be **QUICKER, EASIER,** and **MORE AMICABLE** than arbitration, and still resolve a business dispute.



**MEDIATION ...
A "WIN-WIN" SITUATION!!**