

## Data Integrity Standards Guidelines for Data Input and Rules Enforcement

As a condition of membership in California Real Estate Technology Services, CARETS, MLSs and Associations agree to abide by and enforce a common set of MLS Rules and Violation Policy. It is the responsibility of each member MLS and/or Association to provide hearings on alleged infractions that are afforded under the respective MLS and/or Association's adopted professional standards policies and procedures.

Our Data Integrity Standards are common dos and don'ts to help you accurately enter your listings in our MLS and to avoid potential MLS violations. Our DIS do not create new rules separate from the MLS Rules but provide specific examples of the meaning of the MLS Rules. Next to each DIS item is the MLS Rules paragraph and item number supporting the violation. It is your obligation to preserve the most valuable asset of your MLS: data accuracy.

### I. OVERVIEW

Recognizing the importance of accurate data to the success of our business, the Associations of REALTORS®/MLSs **will issue citations and/or fines for MLS data inaccuracies or misuse** in the following areas which include but are not limited to:

#### ACCURACY OF INFORMATION

- Active Listing without Valid Listing Agreement 8.1
- Duplicate Listing by the Same Agent 7.2
- No Compensation Offered – Except on Open Listings 7.15
- Property Listed by a Non-MLS Member 7.3
- Inaccurate Property Type Classification 7.6
- Inaccurate Bedrooms/Baths 8.3
- Inaccurate or Invalid APN# 8.3
- Inaccurate City 8.3
- Inaccurate Zip Code 8.3
- Inaccurate or Incomplete Address 8.3
- Inaccurate Area Number 8.3
- Inaccurate Tract Code 8.3
- Inaccurate Thomas Guide Number 8.3
- Inaccurate Selling Information 8.3 & 10.2
- Inaccurate Status 8.3 & 10.3
- Listing Information Incomplete or Not Kept Current 7.11 & 7.14
- Using a Data Field for a Purpose Other than its Intended Use 8.3
- Including Agent Contact Information in Public Remarks Fields or in Photographic Media 11.5 & 12.5
- Failure to Identify/Disclose when Listing Broker/Agent is a Principal to the Transaction 7.20
- Inaccurate School Information 8.3

#### LATE REPORTING

- Late Entry of a New Listing (2 business days) 7.8
- Late Reporting Pending (2 business days) 10.2
- Late Reporting Sale (2 business days) 10.2

#### REMARKS AND GRAPHICS

## ACCURACY OF INFORMATION

- Lockbox/Gate/Security Code or “Vacant” in Public Remarks – See Text Comments for exception 12.5
- Incorrect or Restricted Entries in Remarks 12.5
- Use of Photographic Media without Proper Authorization 11.5
- Failure to Include a Minimum of One Photograph/Rendering of Property within 5 Days of Listing Entry 11.5
- Incorrect Information in “Listing Price Excludes” 8.3
- Discriminatory Language 12.5
- Any Phone Numbers, Web Site Addresses or Other Contact Information 12.5
- Entering Open House Detail in Public Remarks 12.5

## II. REGULATORY ISSUES

The success of an MLS depends upon the timely reporting of information so that all of the cooperating subscribers may benefit from the data found in the MLS system. Your local Association of REALTORS®/MLS has established rules and regulations that govern the time frame in which you are to enter listing additions and changes into the MLS system. If you do not adhere to these rules, you are in violation of MLS Rules.

- **New Listing:** DO NOT add a new listing to the MLS if you do not have a valid listing agreement signed by all parties. 8.1 & 8.2
- **Listing Exclusion:** It is acceptable to withhold a listing from the MLS with a signed authorization from the seller delivered to the Association/MLS offices within 2 business days of acquiring the listing. 7.9
- **Adding a Listing:** Your listing must be added into the system within 2 business days of the Listing Beginning date. 7.8
- **Status Changes:** All listing status changes must be reported within 2 business days of the change. 10.2
- **Sold Listing:** You are required to report that your listing has sold and closed within 2 business days of the actual closing. 10.2

Failure to comply within the prescribed time period (2 business days) may cause the Participant/Subscriber to be subject to discipline including fines as per Section 17: Non Payment of MLS Fees. See CARETS fine structure

## III. DATA INTEGRITY ISSUES

- **Address 8.3**

Each component of the address should be entered correctly and in the proper field – House Number, Direction, Street Name, Street Type, Unit Number, etc.

- **Area Number 8.3**

The Area Number used in our system provides for further geographical breakdown of a property’s location. The Area Number that you place in your listing must accurately reflect the location of the property. When adding a listing, the MLS system will limit you to a valid set of Area Numbers.

- **Assessor's Parcel Number 8.3**

The APN is very important. Not only is it needed to link to the tax database to locate tax, assessment and sales information, but it is also used to link listings within our history database.

Every listing must have the correct APN as assigned by the County Assessor's office. The MLS system contains Assessor files for all of our MLS areas, plus those immediate adjacent to our areas, from which the APN can be derived. You can also auto-populate the APN, and associated fields, directly from these files. If you cannot determine an APN for your listing, call the MLS coordinator at the Association of REALTORS®/MLS for assistance.

New construction properties for which an APN has not yet been assigned by the Assessor or properties without an assigned APN can be handled in two ways: 1) Input an APN that is entirely blank. This is the ONLY time a blank APN may be entered, 2) Input the previous APN of the land upon which the property is being built. In either case, when an APN is assigned by the Assessor's office, it should immediately be input to the MLS.

For Example:

- 1) **DO NOT** enter an APN from another property
- 2) **DO NOT** enter a partial APN
- 3) **DO NOT** enter a dummy, or fake APN, except as noted above for new construction.

- **Auction Listings 7.18.3**

Compensation offered through the AOR/MLS to cooperating brokers on listings, which are offered by auction is for the amount published therein unless the listing broker indicates in the AOR/MLS that the sale and gross compensation are based upon sales price. The listing price in the AOR/MLS shall be the reserve or minimum bid and state "compensation to cooperating agent for a successful bid only" must appear in the Agent/Private Remarks only. Auction listings shall have listing contracts, as required by the AOR/MLS, including terms and conditions of auction, provided to the AOR/MLS. The Public Remarks must contain the following: "The List Price is the reserve or minimum bid subject to the seller's acceptance".

- **City 8.3**

The city that you enter in your listing must accurately reflect the location of the property: either the city in which the property is found or, in some cases, the postal address of that property. If you auto-populate from the tax data, you should double check to make sure the correct city was entered. If not, change it at the time you add the listing.

For example:

- 1) **DO NOT** use another city just because it might seem more appealing to buyers.
- 2) If the property is in an unincorporated area or is in one of those specific areas where the postal address differs from the actual city the property is in, enter the postal address city in the City field, but clearly disclose the actual city in the property description.

- **Compensation Detail 7.15**

Compensation fields, as well as Agent Notes/Showing Instructions, must be used to accurately detail the compensation offered through the MLS, and any special circumstances. The Selling Office Compensation is a required entry and must indicate a percent of the gross selling price or fixed dollar amount. Additionally, specific detail as related to estate sales, probate listings, auction sales, sales requiring lender approval of compensation paid, or other special circumstances must be entered in the Agent Notes/Remarks.

- 1) A compensation amount MUST be entered for ALL listings except for Open listings, as authorized by California Civil Code. 7.15
- 2) Dual or variable rate compensation arrangements MUST be identified using the Dual/Variable Rate field. 7.25
- 3) Changes to the offers of compensation entered into the MLS must be done in accordance with MLS Rules, Paragraph 7.19 Changes to Offer of Compensation to All Brokers Participants.
- 4) Entry of MLS Only listings must comply with the content of MLS Rules, Paragraph 7.5.2, Scope of Service; MLS Entry-Only Listings.
- 5) Entry of Limited Service listings must comply with the content of MLS Rules, Paragraph 7.5.1, Scope of Service; Limited Service Listings.
- 6) If the compensation offered includes a percent, the percent must be based on gross selling price. Compensation based on net selling price or selling price less one or more seller concessions is not permitted. 7.15

- **Conditional/Discriminatory Compensation Language 7.15**

The content in any of the remarks fields may not contain conditional or discriminatory language regarding the payment of compensation. For example, the following are not acceptable remarks: "If (Listing Broker) Agent shows property first to a buyer, the Selling Agent will not receive the compensation.", "No compensation paid to XYZ brokerage.", "If (Listing Brokerage) Agent shows property first to a buyer, total Selling Office compensation will be reduced to x%.", or y% for a full price or above offer, z% if offer is less than full price." Procuring cause cannot be determined nor controlled via the compensation field.

- **Duplicate Listings 7.2**

There shall be only **ONE** active record in the MLS database for each **PROPERTY TYPE** that is for sale or lease. Duplicate listings are misleading, skew the statistics, and make Comparative Market Analyses (CMAs) cumbersome and often incorrect.

However, if a property has a structure on it but is being marketed at land value, it may be placed in both the Land/Lot and other applicable property type/category (i.e., Residential and Land/Lot, Commercial and Land/Lot, etc.). A property that has a non-conforming or illegal rental may also be listed in both Residential and Residential Income. In both cases, the condition that makes it appear in the secondary category must be disclosed on BOTH listings.

For example:

- 1) **DO NOT** add a listing more than once to reflect different CITIES.
- 2) **DO NOT** add a listing more than once to reflect a different number of bedrooms.
- 3) **DO NOT** add a listing more than once to gain additional exposure as another "new" listing.
- 4) **DO NOT** add a listing more than once if you've obtained an extension for your listing.

- **Failure to Provide Requested Information or Correct Inaccurate Information 7.14 & 8.3**

The Violator shall have 2 business days, to provide all requested information and/or to correct inaccurate information following notification via email to the Violator and/or Responsible Participant. If the requested information is not provided or corrected within the specified time period, a violation will be issued at the next violation level. Additional violations will be issued following the 2 business day interval specified above until the requested information or inaccurate information is corrected, subject to the maximum fine amount contained in Appendix A, Fee Schedule.

Failure to pay all fine amounts will subject the Violator to the actions specified in the MLS Rules and Regulations, Paragraph 17.1.

- **IDX 12.16**

Refer to **Section 12.16 of your MLS Rules for detailed information on the use of listing information on the Internet.**

- **Images in MLS Listings 11.5**

A minimum of one (1) photograph/rendering of the property must be entered into the MLS **within five (5) calendar days of the listing entry date.** A minimum of one (1) photo must be of the exterior of the structure, except for Lots & Land property type. This requirement does not apply to a listing that is canceled prior to the 5-day entry period lapsing. Images uploaded to the system are meant to be representative of the listing and its surroundings - that is, pictures of the property, floor plans, maps (as long as not copyrighted), pictures of surrounding areas – neighborhoods, parks, schools, etc.

Images **MUST NOT** include:

- 1) Agent or Broker photos,
- 2) Agent or Broker names,
- 3) Phone numbers,
- 4) Website addresses,
- 5) E-mail addresses,
- 6) Any billboards, for sale signs, open house signs, special promotion signs, etc.,,
- 7) Any advertising, marketing pieces, etc.,
- 8) Messages or solicitations of any kind,
- 9) Photo branding to place agent name, logo or other identifying information over the photo,
- 10) Photos of people, animals or other items not directly related to the property.

- **Reciprocal Listings added into CARETS 6 & 7.3**

CARETS will accept listings from Brokers and Agents that do not belong to a CARETS participant MLS; provided the Broker and Agent are members in good standing with an MLS that has valid reciprocal agreement with a CARETS participant MLS.

Except for reciprocal listings as provided for above, no listing may be entered into the CARETS database unless each Broker and each Agent associated with the listing are members of a CARETS participant MLS.

Brokers and Agents that belong to a CARETS Participant MLS must enter listings under their own name. The listing may not contain any reference or contact information in any data field designating a Broker or Agent that does not belong to a CARETS Participant MLS as the Listing Broker or Agent for the subject listing.

To the extent any assistant engages in any acts which are covered by these Rules, Regulations and Data Integrity Standards, that assistant must comply with all of the Rules, Regulations and Data Integrity Standards.

- **Property Already Listed by Another Agent/Broker 7.2**

The MLS allows one listing per property type for a specific property. There may be situations where more than one Broker believes they have a valid listing agreement for the same property. The MLS and/or Association cannot determine the validity of claims of competing contracts. It is the responsibility of the Brokers and seller to resolve the validity question prior to entering a listing into the MLS. Entering a listing into the MLS without a valid listing agreement is a violation of MLS Rules. Failure to remove a listing from the MLS following cancellation or expiration is a violation of MLS Rules.

- **Property Characteristics 8.3**

Any field which describes the characteristics of the property being listed must be accurate. For example, the entries you make in the Bedrooms and Baths fields must accurately reflect the correct number of bedrooms and total bathrooms found on the property, as well as the correct breakdown of bathrooms. **DO NOT** alter the characteristics in an attempt to make the property more attractive to potential buyers.

- **Property Type 7.6**

Enter each listing in the correct property type. For example, do not include Land or Mobile Homes under the Residential property type. The property type entered must reflect the actual or potential use for the property. Also, enter the property subtype correctly. **DO NOT** identify a Condominium in the system as a Single Family Residence.

- **Range Pricing (If Applicable) 7.4**

If a listing is specified as a Range Price Listing, the Listing Agent or Broker must enter a valid range for the list price of that listing. In all cases, the default List Price shall be the high end of the range and the low end of the range can be no less than 85% of this price, unless approved ranges have been filed with the California Department of Real Estate. In which case, the filed ranges shall be used in all Range Price listings.

- **Selling Information 10.2**

When reporting a listing as In Escrow or Sold, you are required to enter the accompanying information (e.g., Selling Agent, Selling Office, Sales Price, Close of Escrow Date, etc.). The sales information is critical for the accurate reporting of sales statistics as well as accurate Comparative Market Analyses (CMAs).

- **Status 10.2**

The Status of your listing should correctly reflect the current status of that listing.

- 1) **DO NOT** leave your listing in the Active status if it is off market or taking back-up offers.
- 2) **DO NOT** leave your listing as Active and in Remarks explain that it is off market or taking back-up offers.
- 3) **DO NOT** use the Back-Up status when you are waiting for escrow to close. The Back-Up status is to be used when the Seller is soliciting back-up offer(s).
- 4) If an escrow closes early, the property must be reported as sold with the correct closing date.
- 5) A property may not be reported as Canceled without signed instructions from the seller to do so. 7.12

- **Text Comments 12.5**

The MLS has several areas for text comments for public and private information. As authorized in Paragraph 8.3 of the MLS Rules, an Association or MLS may delete data inputted to any of the Text Comment fields to reflect the correct or allowed information, and report the violation to the appropriate Association or MLS for violation processing.

### Public Information

- 1) Marketing Remarks or Property Description – This area should only be used to describe the property’s physical and aesthetic characteristics, the things that might make a buyer want to look more closely at the property, specific terms to or exclusions from a sale (or lease), or legally required statements. A description of the Type of Sale is allowable.
- 2) Directions to Property – This area should contain information which assists interested parties in locating your property.

### Private Information

- 3) Private or Agent-Only Remarks – This is a confidential area for Agent-to-Agent communications: - that is, the kinds of things members might communicate to one another, but not to the public.
- 4) Showing Instructions - These are intended only for other Agents
- 5) Compensation on Probate Sales - See Section 7.15.1

The following disclaimer must be displayed in the Private Remarks for Probate Sales: “The compensation to Selling Office is subject to change in accordance with court ruling.”

**ALL** text fields must be entered in the English language **ONLY**.

The following standards **MUST** be adhered to in all **PUBLIC** text comments:

- 1) **DO NOT** put gate codes, lockbox combinations or security codes in Public Remarks.
- 2) **DO NOT** put For Sale by Owner (FSBO) in Public Remarks. If the listing is legally in the MLS it cannot be a FSBO.
- 3) **DO NOT** put the word “vacant” in Public Remarks. We have a separate field for that. The word “vacant” may be used to describe the property in a Lots & Land listing.
- 4) **DO NOT** put e-Mail addresses in Public Remarks.
- 5) **DO NOT** put web site addresses in Public Remarks.
- 6) **DO NOT** put phone numbers in the Public Remarks. We have several phone number fields.
- 7) **DO NOT** put Agent, Assistant, Co-Lister or Owner names in the Public Remarks.
- 8) **DO NOT** remove any Public Remarks when changing a listing from Active to Off Market status.
- 9) **DO NOT** put language in the Public Remarks that violates applicable fair housing laws and guideline.
- 10) **DO NOT** put open house information in the Public Remarks.
- 11) The content of any of the remarks fields (Agent, Financial, or Property Description) cannot contain discriminatory language regarding the payment of compensation. For example, do not include any of the following: "If [Listing Brokerage] Agent shows property first to your buyer, there will not be compensation paid to you", "No compensation paid to XYZ Brokerage", or "If [Listing Brokerage] Agent shows property first your total office compensation is y%". Procuring cause cannot be determined nor controlled via the Compensation field.
- 12) The Directions field may only contain location information intended to assist finding a property.
- 13) The List Price Excludes field may only contain specific detail regarding items not included in the property as offered for sale such as fixtures, appliances, etc. No other information may be entered in this field whatsoever.
- 14) **DO NOT** put title, escrow or other service instructions in the Public Remarks. Such information may be entered in Private Remarks; however, any entry that implies a requirement to use a specific title, escrow or service provider may be a violation of RESPA.

The following standards MUST be adhered to in all **PRIVATE** text comments:

- 1) **DO NOT** disseminate Agent Remarks/Showing Instructions to the public.
- 2) **DO NOT** distribute Agent Reports or displays to non-licensees at any time.
- 3) Place showing instructions, open house information, compensation information, special contract provisions, etc. in the appropriate Private Remarks field.
- 4) Listing Broker/Agent contact information such as telephone and fax numbers, email/website addresses, etc. may only be included in the Agent Remarks field.

- **Thomas Brothers Guide Number 8.3**

Many people search by the TG # to narrow down their searches to a particular geographic area. The TG # that you enter in your listing should accurately reflect the correct TG location for the property. If you auto-populate from the tax data you should verify the correct TG # was entered. If not, change it.

- **Virtual Tour and Virtual Media Links 11.5**

Virtual Tours and links to Virtual Media, must not contain promotional pieces on the Agent or Broker. They should be limited to descriptive information on the property and surrounding areas, neighborhoods, parks, schools, etc.

Virtual tour links must be property-specific. They may not simply be links to an Agent or other web site, even if a virtual tour resides on that web site. Further, a virtual tour link must be "sanitized" so as not to identify the listing Agent/Broker.

Images & Virtual Tour Links may NOT include:

- 1) Any advertising, marketing pieces, etc. (other than those specifically addressing the property)
- 2) Messages or solicitations of any kind.

- **Withholding a Listing from the Internet 12.8**

**DO NOT** withhold your listings from the internet unless you have a signed acknowledgement from the owner, that they understand their property will not be marketed through this medium and that is their choice. It is only acceptable to withhold a listing from the MLS with a signed authorization from the seller delivered to the Association of Realtors®/MLS offices.

It is a violation by any Participant or Subscriber to distribute flyers or create other printed materials displaying the address and/or price of any listing(s) with an MLS status of ACTIVE, CONTINGENT OR PENDING that are not the listing(s) of that Participant or Subscriber unless prior written consent has been obtained from the listing broker. "Screen shots" or other materials printed from IDX or VOW displays are explicitly included in this violation.

- **Zip Code 8.3**

The ZIP code that you place in your listing must accurately reflect the postal ZIP code associated with the property. If you auto-populate from the tax data you should verify the correct ZIP Code was entered. If not, change it.

- 1) **DO NOT** enter a dummy, inaccurate or fake ZIP code.

\* ZIP codes can be easily determined by looking up a property's address in the USPS database at:  
<http://www.usps.com/zip4/>

## CARETS Citation Policy (Addendum A)

The purpose of this citation policy is to ensure the integrity of the MLS including the currency and accuracy of its information. Fines will be issued and processed in accordance with this Citation Policy. The citable offenses and fines are subject to change upon approval of the CARETS Board of Directors. The Citation Policy is in addition to and does not replace the provisions of Section 14 of the CARETS MLS Rules.

- A. For the purpose of the Fine Schedule, the number of violations will be tracked on a calendar year basis. On the first day of each calendar year the violation count for each MLS member will be reset to zero (0). A Violator shall be entitled to receive two Warning Letters per calendar year. For example, if the Violator's first violation of the year is a Tier One offense, the Violator will receive a Warning Letter. If the Violator's second violation of the year is a Tier Two offense, the Violator will receive a second Warning Letter. If the Violator receives a third violation (in either the Tier One or Tier Two categories), the Violator will receive a fine.
- B. A listing that contains one or more violations of the Citation Policy is considered a violation event for purposes of the Fine Schedule regardless of the category or nature of the violation.
- C. 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.
- D. A violation must be corrected within two (2) business days of notice of violation sent to the Violator and/or Responsible Participant. Receipt of notice is presumed to be the sooner of three (3) business days after mailing or one (1) business day after email or facsimile transmission. Failure to correct a noted violation within the two (2) day time period allotted will result in a new violation for the uncorrected violation with the associated fine for that level of violation. Failure to correct a violation within the two (2) day correction period may also subject a non-conforming listing to removal by the MLS from active display. New violations may be issued for any remaining uncorrected violations until the violations are corrected or the maximum fine is reached as set forth below.

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.
- E. The fine amount is determined by the total number of violations accumulated by each MLS member during a calendar year.
- F. Fines are due within fifteen (15) business days of receipt of a violation notice. Receipt of notice is presumed to be three (3) business days after mailing or one (1) business day after email or facsimile transmission.
- 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 MLS/AOR. Prior to requesting a hearing, the violation must be corrected.
- H. Failure to pay assessed fines may result in suspension of MLS privileges as detailed in Paragraph 17.1 of the MLS Rules and Regulations.
- I. The MLS Committee and/or the Board of Directors reserves the right, at its discretion, to charge a Participant or Subscriber with rules violations by virtue of the hearing process, including the possibility of additional fees or

finer, suspension or expulsion, rather than utilizing the citation process. Thus, the below fines may not be all inclusive. Any Participant or Subscriber who accumulates in excess of 5 (five) violations in one calendar year, unless otherwise specified, may be referred to the MLS Committee and/or the Board of Directors for a review to determine whether or not further discipline and possible suspension of MLS service is warranted.

- J. Reporting of violations will remain confidential.
- K. Effective 01/01/14, MLS fines will be held in abeyance and then waived if the violation is greater than 180 days of the listing being sold, cancelled or expired and the Participant/Subscriber has submitted a correction of the violation to the MLS staff within 30 days notice of the violation. If no correction is received within the 30 day period after then notice, then the fine will be processed by MLS staff.
- L. The violation fine schedule is as follows:

**Tier One:**

- First Violation:** Warning Letter (only if Violator has not already received two prior Warning Letters)
- Second Violation:** Warning Letter (only if Violator has not previously received two prior Warning Letters)
- Third Violation:** Attend Class in Lieu of Fine (if such class offered by AOR/MLS) or \$ 100
- Fourth and Subsequent Violations:** \$ 300

If such a class is offered by the AOR/MLS and if the Violator opts to attend a compliance training class in lieu of paying the fine for the Third Violation, the Violator will pay a \$50.00 non-refundable one-time fee and complete the course within a 60-day period. The Violator will be given the opportunity for one make-up session only. Failure to complete the make-up session will result in assessment of the full fine amount set forth for a Second Violation.

As set forth in Section D above, violations must be corrected within two (2) business days of notice. Violations which remain uncorrected subject the violator to the imposition of new penalties and removal of the listing from active display.

The maximum accumulated fine for a single violation may not exceed the top amount of \$15,000 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 One Offenses are as follows:**

- 1) Non-Completion of Required MLS Orientation Program within Set Time Allowed [Rule 4.1-4.4 (*Participant Requirements*)]
- 2) Failure of Participant or Subscriber to Notify the MLS of Termination, Transfer, or Addition of Any Clerical Users Affiliated with Participant or Subscriber [Rule 4.3 (*Notice re Clerical Users*)]
- 3) Failure of Participant to Notify the MLS of Termination, Transfer, or Addition of any Licensees Under Participant's License [Rule 4.5 (*Notice re Licensees*)]
- 4) Failure to Properly Designate/Correlate License Type [Rules 4.1.3, 4.2.3 (*Redundant Participant/Subscriber Qualifications*)]
- 5) Failure to Properly Specify Listing Type or Class [Rules 7.5-7.6 (*Listing Type or Class*)]

- 6) Failure to Update/Change Listing Information [Rule 7.11 (*Change of Listing Information*)]
- 7) Unauthorized Cancellation/Withdrawal of Listing [Rule 7.12 (*Cancellation/Withdrawal of Listing Prior to Expiration*)]
- 8) Failure to Provide Complete Listing Information [Rule 7.14 (*Detail on Listings*)]
- 9) Failure to Offer Unconditional Compensation [Rule 7.15 (*Unilateral Contractual Offer*)]
- 10) Failure to Comply with Auction Listing Requirements [Rule 7.18.3 (*Auction Listings*)]
- 11) Failure to Disclose REO Status [Rule 7.27 (*REO Disclosure*)]
- 12) Failure to Input Accurate Information [Rule 8.3 (*Accuracy of Information; Responsibility for Accuracy*)]
- 13) Failure to Timely Report Listing Status Changes and Sales [Rule 10.2 (*Reporting of Sales*)]
- 14) Failure to Timely Report Cancellation of Pending Sale [Rule 10.4 (*Reporting Cancellation of Pending Sale*)]
- 15) Wrongful Use of Photographs/Use of Photographs on a Listing Without Proper Authorization [Rule 11.5 (*Photos*)]
- 16) Misuse of Public Remarks; Failure to Limit Public Remarks to Marketing, Description and Condition of the Property [Rule 12.5 (*Use and Misuse of Remarks*)]
- 17) Unauthorized Use of Term "Sold" [Rule 12.7 (*"Sold" Signs and Use of the Term "Sold"*)]
- 18) Unauthorized Advertisement of Listing of Another Broker [Rule 12.8 (*Advertising of Listing Filed with the MLS*)]
- 19) Unauthorized Use of Statistical Reports, Sold Data or Comparable Reports in Advertising [Rule 12.9 (*Limitations on Use of Information in Advertising*)]
- 20) Failure to Provide Adequate Informational Notice on Print or Non-Print Forms of Advertising or Other Forms of Public Representations [Rule 12.9 (*MLS Information in Advertising*)]

### Tier Two:

**First Violation:** Warning Letter (only if Violator has not already received two prior Warning Letters)

**Second Violation:** Warning Letter (only if Violator has not previously received two prior Warning Letters)

**Third Violation:** \$250

**Fourth and Subsequent Violations:** \$500

As set forth in Section D above, violations must be corrected within two (2) business days of notice. Violations which remain uncorrected subject the violator to the imposition of new penalties and removal of the listing from active display.

The maximum accumulated fine for a single violation may not exceed the top amount of \$15,000 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 Offenses are as follows:

- 1) Failure to Comply with "Certification of Nonuse" (back fees owing under Certification to be cumulatively added to citation amount) [Rule 5.1.6 (*Certification of Nonuse*)]
- 2) Failure to Input a Required Listing; Failure to Disclose Known Additional Property Owner Information [Rule 7.8 (*Mandatory Submission*)]
- 3) Failure to Provide Signed Seller Exemption; Failure to Submit Compliant Signed Seller Exemption [Rule 7.9 (*Exempted Listings*)]
- 4) Entry of a Listing as New after Withdrawn without a New or Amended Listing Contract [Rule 7.11 / 7.22 (*Change of Listing Information*)]
- 5) Failure to Disclose Interest by a Broker Participant or R.E. Subscriber in the Subject Listing [Rule 7.20 (*Broker/Agent as Principal*)]
- 6) Failure to Remove Expired Listing; Failure to Obtain Seller's Written Authorization before Extension/Renewal [Rule 7.22 / 7.11 (*Expiration, Extension and Renewal of Listings*)]
- 7) Failure to Disclose Dual Variable Commission [Rule 7.25 (*Dual /Variable Rate Commissions*)]
- 8) Prohibited Co -Listing [7.3 (*Co-Listing*)]
- 9) Failure to Provide Appropriate Written Documentation of Listing [Rule 8.2 (*Written Documentation*)]
- 10) Failure to Correct Incomplete or Inaccurate Information after MLS Notification [Rule 8.3 (*Accuracy & Correction*)]
- 11) False Representations; Failure to Abide by True Picture Standard of Conduct [Rule 12.10 (*False or Misleading Advertising and Representations*)]
- 12) Violation of Competency Standard [Rule 12.21 (*Participant and Subscriber Standards of Conduct*)]
- 13) Failure to Provide Authorized Lockbox [Rule 13.6 (*Lockbox Type Requirements*)]
- 14) Failure to Timely Remove Lockbox after COE or Expiration/Cancellation of Listing [13.9 (*Lockbox Removal*)]

### Tier Three:

**First Violation:** \$1,000

**Second and Subsequent Violations:** \$2,500

As set forth in Section D above, violations must be corrected within two (2) business days of notice. Violations which remain uncorrected subject the violator to the imposition of new penalties and removal of the listing from active display.

The maximum accumulated fine for a single violation may not exceed the top amount of \$15,000 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 Offenses are as follows:

- 1) Failure to obtain sellers authority to list in MLS [Rule 8.1 (*Listing Agreement and Seller's Permission*)]
- 2) Failure to be Present when Providing Access to a Listed Property to Buyers and Potential Buyers [Rule 9.9 (*Presence of Participant or Subscriber*)]
- 3) Failure to timely notify of DRE or OREA adverse action [Rule 12.1 (*Notification of California Department of Real Estate (DRE) or California Office of Real Estate Appraisers (OREA) Action*)]
- 4) Unauthorized Use of MLS Information [Rule 12.11 (*Use of MLS Information*)]
- 5) Unauthorized Sharing of MLS Information and Pass Codes; Use of MLS by Unauthorized Party [Rule 12.12 (*Confidentiality of MLS Information*)]
- 6) Unauthorized Clerical User Access and Use of MLS Information [Rules 12.12.1 (*Clerical Users*)]
- 7) Misuse of Reproduction of MLS Information [Rule 12.15 (*Reproduction*)]
- 8) Sharing the MLS compilation or portion thereof with any third party vendor not authorized by the MLS [Rules 12.11 (*Use of MLS Information*), 12.12 (*Confidentiality of MLS Information*) and 12.15 (*Reproduction*)]
- 9) Unauthorized Reproduction of Confidential Fields and Information [Rule 12.15.2 (*Confidential Fields*)]
- 10) Unauthorized Compilation Downloading or Transmission of Data; Failure to Restrict Access to Authorized Party [Rule 12.15.4 (*Downloading onto Computers*)]
- 11) Misuse of MLS Data on Public Website; Violation of IDX Rules [Rule 12.16 (*Use of Active Listing Information on the Internet*)]
- 12) Misuse of MLS Data on Public Website; Violation of VOW Rules [Rule 19 (*VOW*)]
- 13) Unauthorized Sharing of Lockbox Key [Rule 13.2 (*Key Use and Service*)]
- 14) Failure to Account for Lockbox Key [Rule 13.4 (*Deemed Unaccountable*)]
- 15) Failure to Obtain Seller's Permission to Place a Lockbox [Rule 13.5 (*Written Authority*)]
- 16) Unauthorized Entrance into a Listed Property; Failure to Follow Showing Instructions [Rule 13.7 (*Listing Broker's Permission*)]
- 17) Failure to Report Lost or Stolen Lockbox Keys [Rule 13.8 (*Unaccountable Keys*)]