

Citation System

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Ethics and Complaint

Background

In an ongoing effort to increase professionalism in the marketplace for our Membership, streamline the ethics hearing process and protect the interests of the general public, SAR adopted the C.A.R. Citation System for Code of Ethics violations.

SAR's Professional Standards and Grievance Committees are charged with upholding the highest principles of the Association and ensuring that Members adhere to the REALTOR® Code of Ethics. Over the years, Members have sought ways to avoid time consuming ethics complaint filings and hearings. In response to a similar complaint by Associations throughout the state, C.A.R. introduced a new citation system. SAR and its regional partners, the El Dorado, Placer and Yolo County Associations of REALTORS®, all adopted this Citation System effective January 1, 2009.

How the Citation System Works

Business conduct violating some articles in the REALTOR® Code of Ethics could be subject to a citation or fine. The Association's Grievance Committee or a subcommittee of the Grievance Committee will decide whether the conduct in any ethics complaint received by the Association is subject to a citation/fine. If the Grievance Committee decides the conduct is a citable offense, the following will occur:

- The violator will be notified (as will the violator's broker) and he/she will have 10 days to pay the cited fine or request an ethics hearing.
- If no response is received after ten (10) days, a warning letter will be issued. If there is no response to the warning letter within another ten (10) days, the matter will be forwarded for a full ethics hearing, with possible amendments by the Grievance Committee.

- Only three (3) citations may be issued to a violator within a three (3) year period; subsequent potential violations would be sent directly to an ethics hearing.
- The fee structure is: \$250 for the first citation, \$500 for the second citation and \$1,000 for the third citation. On the first citation only, the violator may attend live Code of Ethics training to be completed within 90 days, after which the violator would receive a refund of \$200 of the \$250 fine paid.

Articles and Behavior Which are Citable

Article 3:

- Attempt to change offer of compensation after being made aware of signed offer to purchase
- Failure to disclose existence of dual or variable rate commission
- Failure to disclose existence of accepted offers to cooperating brokers

Article 4:

- Failure to disclose REALTOR® interest in property being bought or sold

Article 5:

- Providing professional service without disclosing interest in property

Article 6:

- Accepting any commission, rebate or profit on expenditures without client's knowledge or consent

Article 12:

- Failure to present a true picture in real estate communications and advertising
- Failure to disclose professional status in advertising and other representations
- Failure to disclose compensation from 3rd party for services provided free to a client
- Advertisement offering to sell/lease property without authority of owner or listing broker
- Failure to disclose name of firm in advertisement for listed property
- Failure to disclose status as both owner/landlord and REALTOR® or licensee when advertising property in which REALTOR® has ownership interest
- Falsely claiming to have "sold" property
- Registration or use of deceptive URL or domain name

Article 14:

- Failure to cooperate in any professional standards proceeding or investigation

Article 16:

· Use of terms of an offer to modify listing broker's offer of compensation ·

Placement of for sale/lease sign on property without permission of seller/landlord