

EXPLANATION OF THE RAPID ETHICS DELIVERY PROGRAM (R.E.D.)

The Rapid Ethics Delivery Program (R.E.D.) is our Association's response to the ever-increasing need in our industry to streamline the current complaint process.

Violations of the Code of Ethics and MLS Rules, bad behavior and lack of reporting occur regardless of what the current market-driven issue may be. We need a flexible and expedited program to deal with problems as they arise.

The R.E.D. Program will take some responsibility off members to encourage reporting.

The program was developed because:

- 1) Members are reluctant to file complaints
- 2) Lack of proof to present at a hearing
- 3) Amount of time to process (currently 60 Days plus)
- 4) Insufficient penalties as perceived by the members
- 5) Fear of retaliation.
- 6) The current procedural process is cumbersome, complicated & time consuming.
- 7) The R.E.D. program is accessible and easy to use.

If you believe that an Association member has acted inappropriately and may be in violation of a Code of Ethics and/or M.L.S. Rule, prior to filing a formal disciplinary complaint you, (the "Reporting Party"), can report the matter to the Association and that member (the "Offending Party") may be put on notice. The R.E.D. Program does not impose any formal fines or charges unless certain criteria are met.

Before you file any complaint, we always suggest that you first contact the broker or manager of the office in an attempt to settle the matter. If talking with the Broker or manager is unsuccessful, we encourage you to file because If nothing is done, it becomes the new normal.

RAPID ETHICS DELIVERY (R.E.D.) Q &A

Q: What is Rapid Ethics Delivery (R.E.D.)?

A: R.E.D. is the Association's Professional Standards program intended to quickly address and resolve potential Code of Ethics (C.O.E.) and M.L.S. Rule violations.

Q: Why was R.E.D. established?

A: In response to an ever-increasing concern about ethical behaviors in the industry, the lack of reporting, and the need for a flexible and expedited program to deal with problems as they arise.

Members feel the formal complaint process takes too long to file; fear of possible retaliation; the complainant wants to remain anonymous; doesn't want this to happen to anyone else and feels nothing happens anyway in a formal complaint.

Q: What is the objective?

A: To improve and modernize the process of filing an ethics complaint and encourage members/public to file.

Q: Who can file a R.E.D.?

A: Any member of the Association or a member of the public can file against an Association member.

Q: How do you report a violation?

A: To report a violation, the Reporting Party completes the R.E.D. Questionnaire found on PWR's website, www.pwr.net

Q: What will the Association do with the report?

A: When the Association receives a completed R.E.D. Questionnaire, the Professional Standards Department will contact the Offending Party and his or her broker to let them know that there is reason to believe the Offending Party may be in violation of the C.O.E. and/or M.L.S. Rules.

A summary of the alleged violations will be included in the correspondence and the offending party will be asked to respond within 48 hours.

Q: Who is the R.E.D. Notice sent to?

The Notice is sent via e-mail to the agent in violation and the broker is copied on the notice.

Q: How does the Offending Party defend itself?

A: When contacted by the Association, the Offending Party will have the opportunity to submit a written response to the alleged violations. The response will tell the Offending Party's version of what took place. Or may indicate how the issue has been resolved.

Q: Are you able to submit a R.E.D. complaint anonymously?

A: Yes, on the R.E.D. Questionnaire there will be a question asking if you would like to remain anonymous. There will be particular cases where it will be a conflict to remain anonymous but the Association will inform the complainant if that is the issue. Most anonymous R.E.D. cases are for advertising issues.

Q: What does the R.E.D. letter consist of?

A: The letter will have a summary of why the complaint was filed and will state the possible Code of Ethics violation and unethical conduct of the offending agent.

Q: Will the offending Agent receive any disciplinary action for a R.E.D. complaint filed against them?

No, a R.E.D. Complaint is more of a warning, education and an attempt to resolve a current issue, but the agent will be watched for future misconduct through a tracking system

Q: What if the Offending Party doesn't respond, either satisfactorily or at all?

A: If the Offending Party doesn't respond satisfactorily or at all, the Association will strongly encourage the Reporting Party to file a Formal Disciplinary Complaint. If appropriate, the Association may refer the matter to the Association's Grievance Committee, who may file a Formal Disciplinary Complaint.

A formal complaint meeting all filing requirements must be filed within one hundred and eighty (180) calendar days after the facts constituting the wrongful conduct could have been known in the exercise of reasonable diligence or one-hundred eighty (180) days after the conclusion of the transaction or event, whichever is later.

Q: Will violations be tracked?

A: Yes, the Association will track all reported violations through the R.E.D. Program. If there is a pattern of violations, the complaint may be sent to the Grievance Committee to file a Formal Disciplinary Complaint.

Q: What does it mean to be tracked?

A: The Association has a database to enable Professional Standards staff to track multiple calls regarding particular agents or brokers.

Q: What happens if a R.E.D. was submitted to an agent for a violation and they violate the same rule a second time?

A: If agent has a warning already we would move forward with a Formal Ethics Hearing process.

Q: Do you have to wait for a transaction to close to be able to file a R.E.D.?

A: It's really up to the agent when they would like to submit a complaint, but you can submit a R.E.D. complaint when you see the problem arise.

Q: Do you have to wait a lengthy time to hear back from the Association if I file a R.E.D. complaint?

A: No, typically the response time is 48 hours.

Q: Who should I contact if I have questions?

A: The Professional Standards Department of the Association.

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