

## APPENDIX I

### Professional Standards & Ethics Complaint Procedures

The Kent Washington Association of REALTORS® (KWAOR) is committed to upholding the NAR Code of Ethics and ensuring fair, consistent, and confidential handling of all ethics complaints and arbitration requests. These procedures supplement the NAR Code of Ethics and Arbitration Manual, which governs all matters not specifically addressed herein.

#### A. OVERVIEW & JURISDICTION

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1. KWAOR's Grievance Committee conducts the initial screening of all ethics complaints and arbitration requests.
2. KWAOR's Professional Standards Committee conducts formal ethics hearings and arbitration panels when KWAOR administers the hearing directly.
3. When KWAOR does not have sufficient qualified panelists, or as otherwise determined by the CEO and President, formal hearings are referred to and administered by RIAR in accordance with RIAR's Professional Standards procedures.
4. All procedures shall conform to the most current edition of the NAR Code of Ethics and Arbitration Manual, which is incorporated by reference into these procedures.

#### B. ETHICS COMPLAINT FILING & PROCESSING

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##### Who May File

1. Any member of the public or any REALTOR® member may file an ethics complaint alleging a violation of the NAR Code of Ethics.
2. Complaints must be filed within one hundred eighty (180) days of the time the complainant knew or reasonably should have known of the alleged violation, unless state law provides a different limitation period.

##### How to File

1. Complaints must be submitted in writing on the appropriate KWAOR/NAR ethics complaint form, available from the Association office or on the KWAOR website.
2. Completed forms should be submitted to the KWAOR Professional Standards Administrator.
3. An informal written inquiry or general letter of complaint that does not use the approved form will not be reviewed by the Grievance Committee. When an informal inquiry or general letter of complaint is received, it will not be reviewed by the Grievance Committee, but will be referred to an ethics mediator.

##### Grievance Committee Review

1. The Grievance Committee will review the complaint to determine whether the facts alleged, if taken as true, could constitute a violation of the Code of Ethics and warrant a hearing.
2. If the Grievance Committee determines a hearing is warranted, the matter will be referred to the Professional Standards Committee Chair, or if agreed by both parties to an ethics mediator. Participation in ethics mediation is voluntary. (See Section C.)

3. If the Grievance Committee dismisses the complaint, written notice of the dismissal will be provided to the complainant. Dismissal decisions may be appealed to the Board of Directors.

*Note: Grievance Committee members do not determine guilt or innocence; they only evaluate whether the complaint, if true, could constitute a Code violation.*

## C. ETHICS MEDIATION (VOLUNTARY)

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**VOLUNTARY:** Ethics mediation is a voluntary process. Any party may decline or withdraw from mediation at any time. If mediation is declined or unsuccessful, the matter proceeds to a formal ethics hearing.

Ethics mediation is available as an alternative to a formal hearing and may be offered at any point after the Grievance Committee determines a hearing is warranted. Mediation is a confidential process intended to resolve complaints without the need for a formal hearing. Neither party is required to participate.

### Appointment of Mediators

1. The Chair of the Professional Standards Committee and/or the Board President will appoint one or more ethics mediators who are thoroughly familiar with the NAR Code of Ethics, state real estate regulations, and current real estate practice.
2. An ethics mediator may not participate in any subsequent formal hearing on the same matter.

### Advising Parties of Mediation Option

- All parties will be advised that ethics mediation is available as a voluntary alternative to a formal hearing.
- Parties will also be advised that they may decline or withdraw from mediation at any time without prejudice to their rights in a formal hearing.

### Initiation of Mediation

- When the Grievance Committee determines a hearing is warranted and refers the matter for mediation, the ethics mediator will contact all parties to schedule a meeting at a mutually agreeable time.
- When an informal inquiry or general letter of complaint is received (not on the approved form), it will be referred directly to the ethics mediator without Grievance Committee review.

### Mediation Session

- The mediator will encourage all parties to openly discuss all issues and concerns and to work toward a mutually acceptable resolution.
- Resolutions may include, but are not limited to: payment of disputed funds; repairs or restoration of property; written or oral apology; acknowledgement of a Code violation; or agreed-upon discipline as provided in the NAR Code of Ethics and Arbitration Manual.
- Any discipline imposed through mediation must be agreed to by all parties.

### **Confidentiality**

All allegations, discussions, and resolutions in ethics mediation are strictly confidential and may not be reported or published by the Association, any committee member, or any party, except as specifically authorized by the NAR Code of Ethics and Arbitration Manual.

### **Failure to Comply With Mediated Resolution**

If a respondent fails to comply with the terms of a mediated resolution, the complainant may resubmit the original complaint or file a formal written ethics complaint. The original date the matter was brought to the Association's attention will be used as the filing date for timeliness purposes.

## **D. FORMAL ETHICS HEARING**

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If mediation does not resolve the matter, or if any party declines mediation, the complaint will proceed to a formal ethics hearing administered by KWAOR or, where appropriate, referred to RIAR.

1. The Professional Standards Committee Chair, in consultation with the CEO and President, will determine whether the hearing will be administered by KWAOR or referred to RIAR based on panelist availability and applicable policies.
2. All parties will receive written notice of the hearing date, time, and location no fewer than twenty-one (21) days in advance.
3. Both the complainant and respondent have the right to appear, present evidence, call witnesses, and be accompanied by counsel or an advisor at their own expense.
4. The hearing panel will deliberate in private and render a written decision. Decisions will be provided to all parties and to the Board of Directors.
5. Discipline, if imposed, may include any sanction authorized by the NAR Code of Ethics and Arbitration Manual, including: letter of warning; letter of reprimand; fine; suspension; or termination of membership.
6. All hearing decisions are subject to the appellate procedures set forth in the NAR Code of Ethics and Arbitration Manual.

## **E. ARBITRATION PROCEDURES**

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KWAOR members agree, as a condition of membership, to submit monetary disputes arising out of real estate transactions to arbitration rather than litigation where the dispute falls within the scope of arbitrable matters under the NAR Code of Ethics and Arbitration Manual.

### **Mediation Required Before Arbitration**

**REQUIRED:** In accordance with NAR policy, mediation is mandatory before an arbitration hearing may be scheduled. An arbitration hearing will not be convened unless mediation has been attempted and was unsuccessful, or unless a party has refused to participate in mediation as documented by the Association.

When an arbitration request is received and determined to be arbitrable, the matter will be referred to mediation before any hearing date is set. The mediator will follow the procedures in Section C above, adapted to the arbitration context. Only after mediation has been conducted and failed to resolve the dispute—or after a party has refused in writing to participate—will the matter be scheduled for a formal arbitration hearing.

### **Filing an Arbitration Request**

1. Arbitration requests must be filed on the appropriate KWAOR/NAR arbitration request form within one hundred eighty (180) days after the closing of the transaction or the occurrence of the event giving rise to the dispute, unless state law provides otherwise.
2. The completed form and any required filing fee must be submitted to the KWAOR Professional Standards Administrator.
3. The Grievance Committee will review the request to determine whether the matter is properly arbitrable under the NAR Code of Ethics and Arbitration Manual.

### **Arbitration Hearing**

- Once mediation has been attempted and the matter remains unresolved, the Professional Standards Committee Chair will schedule a formal arbitration hearing.
- As with ethics hearings, arbitration hearings may be administered by KWAOR directly or referred to RIAR depending on panelist availability.
- All parties will receive written notice of the hearing date, time, and location no fewer than twenty-one (21) days in advance.
- Both parties have the right to appear, present evidence, call witnesses, and be accompanied by counsel or an advisor at their own expense.
- The arbitration panel will render a written Award of Arbitrators. The award is binding upon all parties and may be confirmed in a court of competent jurisdiction.

### **Refusal to Arbitrate**

Where a REALTOR® member is requested to arbitrate by another REALTOR® and refuses to do so, the matter may be referred to the Board of Directors for appropriate action, including possible suspension or termination of membership.

## **F. RECORD RETENTION**

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All Professional Standards records will be retained in accordance with the Records/Documentation Retention policy set forth in this Policies and Procedures Manual, and as further required by the NAR Code of Ethics and Arbitration Manual. Hearing outcome records designated as Permanent Records shall be maintained in a secure, confidential location accessible only to authorized Association staff and legal counsel.

**G. AMENDMENTS**

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These procedures shall be reviewed annually by the Bylaws Committee and updated as necessary to maintain compliance with the most current edition of the NAR Code of Ethics and Arbitration Manual. Amendments are subject to approval by the Board of Directors.

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*Adopted by the KWAOR Board of Directors:* \_\_\_\_\_