



**MLS RULES AND REGULATIONS
COMPLIANCE GUIDELINES**

(AS AMENDED December, 2009)

Glossary of Terms

Association- the Oklahoma City Metropolitan Association of REALTORS®

Board of Directors- The Board of Directors of the MLSOK

Business Days- Monday through Friday excluding postal Holidays

Effective Listing Date- the date shown on which the listing agreement commenced

IDX- Internet Data Exchange (formerly broker reciprocity) a procedure through which listing brokers agree to display other brokers' listings on brokerage or agent owned web sites

Licensee- a licensed real estate sales associate or broker associate or licensed or certified appraiser employed by or affiliated as an independent contractor with a Participant

MDC- Marketlinx Data Checker

MLS- Multiple Listing Service

MLS Database Compilation- the format or medium whatsoever in which the property information is listed and displayed

Participant- the principal, partner, corporate officer or branch manager (acting on behalf of the principal, partner or corporate officer) of a brokerage firm who is the member of the MLSOK.

Statistical Reports- a statistical report, sold report or comparable report contained in any MLS compilation setting forth general information such as identified by property type, pending listings with average list price, closed listings with average sales price to listing price and average days on market by specified area

User- an unlicensed administrative and clerical staff, personal assistants who are affiliated with and under the direct supervision of an MLS Participant

VOW- Virtual Office Website (No bricks and mortar building, is operated by a licensed real estate broker engaged primarily in the activities of listing and selling real estate, often requires consumer information before access to listing data on the Internet)

These compliance guidelines are written with the intent of the purpose of MLS in mind. According to the National Association of REALTORS a Multiple Listing Service is defined as:

- A facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and customers and the public
- A means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by state law)
- A means of enhancing cooperation among participants
- A means by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers
- A means by which participants engaging in real estate appraisal contribute to common databases

Please note that “A Marketing Vehicle” is **NOT** one of the NAR accepted definitions of MLS. Although the data base may be distributed in a public forum through IDX it is not the purpose of MLS to be the primary marketing vehicle of properties to the public. As MLS is **a means of enhancing cooperation among participants**, the MLSOK Board and Staff encourage Participants to work with the cooperating/listing broker in resolving disputes first before seeking formal investigation of a complaint.

Please also note that only the BROKER/PARTICIPANT is a member of the MLS. All listings are the listings of the broker/participant. Therefore violations of MLS Rules & Regulations are the violation of the broker/participant. The broker/participant will be notified of any and all pending complaints and will be notified of any violations recorded by Marketlinx Data Checker [MDC]. Repeated violations by one brokerage could result in the brokerage’s loss of MLS services. Fines are the responsibility of the Broker/Participant. Failure to pay fines may result in the brokerage’s loss of MLS services.

Fines are meant to deter intentional violation of the MLS Rules & Regulations. The Compliance Guidelines are designed to protect the integrity of the data first and to educate the Broker/Participant and Licensees second. It is not intended for fines to become a revenue source and the guidelines are designed to reflect that intent.

How are violations recorded?

There are two means upon which a violation is acted upon as authorized by the Rules & Regulations and bylaws of MLSOK. The first is a daily automation and administrative process of auditing and remediation of data entry to the MLS of the more common and identifiable violations and/or misuse through MDC. The second is by written report of a current violation in the MLS database.

PROCESS FOR REPORTING A VIOLATION OF THE MLS RULES & REGULATIONS

Alleged violations of the MLS Rules and Regulations must be submitted on the MLS Rules and Regulations Violation Reporting Form to the MLS Office by mail, facsimile, electronic transfer or hand delivery ("Violations Report"). Each Violations Report must identify the party making submission, but will be held in confidence until such a time as a party requests a hearing.

A Violations Report must clearly state the nature of the violation and include all applicable documentation. A Violations Report may be submitted by any of the following:

- A. MLS Participants;
- B. Licensees;
- C. Licensed and unlicensed administrative and assistant personnel affiliated with a Participant; and
- D. Members of the public.

Upon receipt of a Violations Report, MLS staff will review it and check the System to confirm the violation. If it is determined that a violation has occurred, it will be placed in one of the following categories:

- A. Correctable violations;
- B. Failure to correct a correctable violation within 2 Business days of notification;
- C. Serious violations;
- D. Prohibited activities; or
- E. Additional fines.

A. CORRECTABLE VIOLATIONS

Upon confirmation of one of the following violations by the MLS staff, a notice of the correctable violation will be sent to both the Broker/Participant and the listing associate by electronic transmission. The Broker/Participant must correct the violation within 2 business days of notice.

1. Entry of comments, text or imposed images in the Directions, System remarks, property description, property photograph or picture description sections that are not descriptive in nature of the subject property- common violations include but are not limited to- names, emails, URL's or phone numbers of the listing associate, brokerage, seller, or builder, etc. (MLS is **NOT** a 'Marketing Vehicle');

2. Entry of comments or text in the Directions field that is not specific directions to the subject property– Refer to A (1) for a partial list of common violations;
3. Failure to include a minimum of 1 photograph of the subject property within 7 days of the entry date. If seller does not want a photograph of the property on MLS a signed statement from the seller must be submitted to MLSOK within time frame not to be in violation;
4. Brokerage/associate sign identifiable in photos;
5. Links to branded virtual tours, videos or any other media whatsoever that depicts marketing material not specific to attributes of subject property;
6. Failure to submit the correct listing expiration date;
7. Entries in the compensation field other than a percentage or definite dollar amount;
8. Failure to correctly complete all required fields in the System;
9. Entering of changes relating to amendments to listing agreement without the seller's written consent;
10. Failure to indicate individually all property that is to be sold or which may be sold separately in the listing agreement and in the System;
11. Failure to properly enter when part of a listing property has been sold;
12. Failure to enter the correct selling price on a closed listing;
13. Failure to enter the correct selling office and selling associate on a closed listing provided documentation includes proof of effort by selling broker to have correction made prior to submission of the Violations Report;
14. Failure to enter pending status within 2 business days of acceptance;
15. Failure to enter sold status within 2 business days of closing; or
16. Failure to reactivate any cancelled and/or failed pending property within 2 business days.

B. FAILURE TO CORRECT A CORRECTABLE VIOLATION

If a notice of a correctable violation has been sent to a Broker/Participant, the correction must be made within 2 business days. Within the time period, Broker/Participant may contact the MLS staff for any desired clarification. If the correction is not made within the time period, then the MLS staff may delete the listing from the System or correct the violation. If MLS staff deletes the listing or makes the correction based on the Broker/Participant's Failure to do so timely will result in an automatic service charge to the Broker/Participant's account of \$25 per correction and/or deletion.

C. SERIOUS VIOLATIONS

Each serious violation will first receive a warning letter as a means to educate the Broker/Participant and the licensees. Should a second same offense occur by licensee and/or Broker/Participant automatic fines, escalating in nature shall be assessed. See the Compliance Enforcement Matrix on page 9 for fines escalation. When a Violations Report alleges one of the violations listed below, the MLS staff will review it. If the alleged violation is not confirmed, the matter shall be closed, and the MLS staff shall inform the person who filed the Violations

Report. Upon confirmation of a serious violation by the MLS staff a letter of warning, fine, deletion of the listing and/or correction, as requisite, shall be sent to the Broker/Participant by electronic transmission. Serious violations include the following:

1. Failure to enter a required listing within 2 business days;
2. Failure to enter changes relating to amendments to a listing agreement within 2 business days;
3. Submission of incorrect listing expiration to force premature expiration;
4. Failure to file with the MLS, within 5 business days, any certification executed by seller of seller's request that property shall be exempt from MLS;
5. Failure to place a property in withdrawn or released status when a listing broker's agreement has been terminated by both parties;
6. Failure to reactivate an MLS number upon listing broker obtaining a new listing agreement or extension within 30 days after the effective date of any withdrawn or released listing;
7. Failure to properly disclosure in the appropriate field any conditions, terms, reserved buyers and any other contingencies affecting the ability to sell or lease the listing;
8. Failure to allow cooperating broker to be present for presentation of an offer, upon request, unless seller has prohibited such in writing, of which a copy has been provided to cooperating broker;
9. Failure to allow listing broker to be present for presentation of a counteroffer, upon request, unless purchaser has prohibited such in writing, of which a copy has been provided to the listing broker;
10. Failure to disclose in MLS compilations and/or offer to purchase the broker's license status when acting as a seller or purchaser;
11. Failure to auto-populate a listing where the property is in MLS tax database or impermissible modification of auto-populated tax information. Inaccurate data should be modified once auto-populate has been initiated;
12. Failure to comply with the Rules set forth in Section 17 Internet Data Exchange or Section 18 VOW's;
13. Failure to follow showing instructions. Failure to comply with direction to contact the listing broker for showings or that listing broker is to be present for showing;
14. Entry of conditional compensation in public remarks.

D. PROHIBITED ACTIVITIES

Upon confirmation of one of the following activities by the MLS staff, notice of the prohibited activity will be sent to the Broker/Participant by electronic transmission. The Broker/Participant must correct or cease the prohibited activity within 2 business days. Failure to notify MLS Staff of doing so within the time frame will result in a \$25 fine assessed to Broker/Participants account each day until MLS staff has been notified by Broker/Participant that such activity has ceased and/or been corrected. See the Compliance Enforcement Matrix on page 9 for escalating fines.

1. Advertising of a listing property by a Broker/Participant or licensee other than the listing broker, without prior consent of the listing broker;

2. Sharing of any listing in the MLS with any broker or firm not a Participant of the MLS without the prior consent of the listing broker;
3. Placement of a "For Sale" sign on a property by a Broker/Participant or their licensee other than the listing broker;
4. Placement of a "Sold" sign on a property prior to closing by cooperating broker without consent of listing broker;
5. Solicitation by a Broker/Participant or their licensee of a property in the MLS unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice, and its Case Interpretations.

E. ADDITIONAL FINES

Upon confirmation of one of the following violations by the MLS staff, notice of the violation and the fine will be sent to the Broker/Participant by electronic transmission and MLS staff may delete or make corrections on the System, as applicable:

1. \$1,500 for unauthorized access of a listed property, and the violating Licensee or User or, if none, then the violating Broker/Participant, may be suspended from the MLS for thirty (30) days;
2. \$2,500 for entering a listing on the MLS without a valid and enforceable Exclusive listing agreement except for sold properties entered as permitted by Section 2.5 as COMP01;
3. \$1,000 for duplicating a listing for the same address and/or legal description without payment of the \$100 service fee described in Section 6.
4. \$1,000 per incident, for reproduction and/or display of MLS compilations not in compliance with Sections 12.1, 17 and 18;
5. \$2,500 for unauthorized dissemination of property access information; and
6. \$1,000 for use of another's licensed lockbox key to access property.

F. ASSESSMENT OF FINES

Levied fines will be billed to the Broker/Participant's account and are payable in accordance with the Bylaws unless a hearing request is filed and are payable as provided hereafter.

G. MUST CORRECT WITHIN 5 DAYS

When a notice of a violation and/or a fine has been sent, unless a hearing request has been filed, the Broker/Participant must make the correction within the guidelines of the notice. If a hearing request has been filed, the Broker/Participant must make the correction within 5 days after the violation and/or fine has been finally affirmed and must submit the fine in accordance with the Bylaws.

H. FAILURE TO PAY FINES

Failure by a Participant to pay fines as above stated or within the times specified below shall be subject to late fees in accordance with Section 6. BILLING OF FEES of the MLS Rules and Regulations and suspension from MLS in accordance with Section 7(a) of the MLS Rules and Regulations.

MDC PROCESS

The MDC process identifies violations which have happened in the past and may no longer be correctable. The process for MDC is to alert both the Licensee and the Broker/Participant of violations.

Correctable MDC Violations

1. Entry of comments, text or imposed images in the Directions, System remarks, property description, property photograph or picture description sections that are not descriptive in nature of the subject property- common violations include but are not limited to- names, emails, URL's or phone numbers of the listing associate, brokerage, seller, or builder, etc.;
2. Entry of comments or text in the Directions field that is not specific directions to the subject property- Refer to Correctable MDC (1) for a partial list of common violations;
3. Failure to include a minimum of 1 photograph within 7 days of entry date;
4. Brokerage/associate sign identifiable in photos;
5. Links to branded virtual tours, videos or any other media whatsoever that depicts marketing material not specific to attributes of subject property;
6. Failure to submit the correct listing expiration date;
7. Entries in the compensation field other than a percentage or definite dollar amount;
8. Failure to correctly complete all required fields in the System;
9. Entering of changes relating to amendments to listing agreement without the seller's written consent;
10. Failure to indicate individually all property that is to be sold or which may be sold separately in the listing agreement and in the System;
11. Failure to properly enter when part of a listing property has been sold;
12. Failure to enter the correct selling price on a closed listing;
13. Failure to enter the correct selling office and selling associate on a closed listing provided documentation includes proof of effort by selling broker to have correction made prior to submission of the Violations Report;
14. Potential Fair Housing Violations- require Licensee or Broker/Participant review

Violations that can no longer be corrected in the system- see Compliance Enforcement Matrix page 9.

1. Failure to enter pending status within 2 business days of acceptance;
2. Failure to enter sold status within 2 business days of closing; or
3. Failure to reactivate any cancelled and/or failed pending property within 2 business days.

MDC Serious Violations are treated in the same manner as Reported Serious Violations. Note that MDC will always send a potential violation report for modified auto-populated data but that doesn't necessarily indicate that modification is a violation. MLS staff reviews all such alerts for suspicious activity. This alert indicates the modification is being reviewed.

Compliance Enforcement Matrix

Violation	Correctable*	MDC Correctable*	MDC Non Correctable	Serious	Prohibited
1 st Offense	No fine if corrected	No fine if corrected	Warning Letter	Warning Letter	Warning Letter- no fine if corrected
2 nd Offense	No fine if corrected	No fine if corrected	\$50	\$250	\$250
3 rd Offense	No fine if corrected	No fine if corrected	\$100	\$500	\$500
4 th Offense	No fine if corrected	No fine if corrected	\$200	\$1000	\$1000
5 th Offense	\$50 & referral to MLS Board for discipline	\$50 & referral to MLS Board for discipline	\$400 & referral to MLS Board for discipline	\$2000 & referral to MLS Board for discipline	\$2000 & referral to MLS Board for discipline including possible suspension and/or termination

*Note 1: Matrix applies to unique violations of a specific rule. For example failure by an associate to enter a pending status within 2 business days would receive a warning letter. A second offense of the same rule would be fined. Another offense of a different rule by an associate- Failure to enter a sold listing within 2 business days would result in a warning letter.

*Note 2: Correctable Violations committed repeatedly by the same associate will result in a \$50 fine and referral to the MLS Board for discipline at the 5th offense. Fine may double with each repeated same correctable offense.

I. HEARING PROCEDURES

All hearings and procedures shall be conducted in accordance with the Code of Ethics and Arbitration Manual for the National Association of REALTORS® unless otherwise provided in these Compliance Guidelines as promulgated hereunder.

1. If a Participant has reason to believe that any fine has been improperly imposed, the Participant may request a hearing by filing an MLS hearing request within 10 days after notice of the violation.

2. If the MLS staff determines that the Participant is able to show compliance with the Rules and Regulations and that the fine was erroneous, the matter shall be dismissed. If the MLS staff is not satisfied that the Participant was in compliance with the Rules and Regulations, the matter shall proceed to a hearing. MLS staff shall notify the Participant of the hearing date not less than 21 days prior to the hearing.

3. Along with the notice of hearing, the MLS staff will send the Participant requesting the hearing the names of the MLS Hearing Panel members scheduled to appear at the hearing and the list of alternates. When the Participant has good cause, the Participant may request the substitution of an alternate to sit on the MLS Hearing Panel. Substitution requests must be made at least 15 days before the hearing date. The Participant must provide a written detailed explanation for the substitution request. The MLS staff will review the request and schedule an alternate when appropriate. If the MLS staff does not hear from the Participant, it will be assumed that the scheduled panel is acceptable. Last minute emergency absences by scheduled MLS Hearing Panel members will be filled with an alternate. Any MLS Hearing Panel member may be disqualified at any time if the other MLS Hearing Panel members are made aware of any grounds of automatic disqualification or find any new or undiscovered facts which, in their judgment, may prevent, or appear to prevent, a member of the MLS Hearing Panel from rendering an impartial decision.

4. **MLS HEARING COMMITTEE.** In January of each year, the Chairman of MLSOK.com shall appoint 15 Participants to serve on the MLS Hearing Committee for a one-year term. Each MLS Hearing Panel shall be comprised of three members of the MLS Hearing Committee. The remaining members shall be alternates.

5. **REQUESTS FOR DOCUMENTS.** Members of the MLS Hearing Panel scheduled for a hearing may request any documents from the Participant filing the hearing request that are deemed relevant and necessary to the determination of the hearing. The Participant requesting the hearing shall provide the documents requested by the MLS Hearing Panel unless the Participant makes a reasonable explanation for failure to provide them.

6. **REQUEST FOR CONTINUANCE OF HEARING.** If the Participant fails to appear at the hearing and has not requested a continuance, the hearing shall proceed as scheduled. A

continuance may be granted. A request for continuance must be made in writing to the MLS staff prior to the hearing date. When there is a continuance, the Participant shall be notified by the MLS staff of the rescheduled hearing date.

7. **REQUEST FOR CANCELLATION OF HEARING.** The Participant who requested the MLS hearing may cancel the request. The request must be in writing and received by electronic transmission by Noon of the business day preceding the hearing date. The Participant forever waives the right to contest the fine that was the subject of said hearing.

8. **RECORDING THE HEARING.** The MLS staff shall record the hearing electronically. Any other party may, at his/her own expense, have a court reporter present or record the hearing electronically. If the hearing is transcribed, a transcript shall be sent to the MLS staff.

9. **PROCEDURES.** The MLS Hearing Panel shall not be bound by the rules of evidence applicable in courts of law, but shall afford all parties a full opportunity to be heard, present witnesses, and offer evidence subject to its judgment as to relevance.

10. **HEARING DECISION.** The MLS Hearing Panel will submit its decision in writing, signed by all panel members, to the MLS staff and the Participant requesting the hearing within 10 days. If a majority of the MLS Hearing Panel finds that the Rules or Regulations have been violated, the MLS Hearing Panel can affirm, reduce or revoke the fine. If a majority of the MLS Hearing Panel finds that the Rules or Regulations have not been violated, no fine shall be imposed. If the fine is affirmed or reduced, the appropriate amount will be paid by the Participant within 10 business days after receipt of the decision, unless an appeal is filed.

11. **APPEALS.** If a Participant believes that the decision of the MLS Hearing Panel is incorrect, the Participant may file a written appeal to the Board of Directors of MLSOK.com within 10 days after receipt of the decision. Such appeal shall be accompanied by a deposit with the President in the sum of \$250. The Board of Directors shall consider only the documentation presented to the Panel and shall render a decision. All decisions of the Board of Directors shall be final, and any fine shall be paid by the Participant within 5 days after receipt of the decision of the Board of Directors. In the event the decision is completely reversed, the deposit shall be refunded.