

ARTICLE 7: MLS FINE PROGRAM/MLS BILLING PAYMENT

SECTION 7: GENERAL INFORMATION

PURPOSE: The purpose of the MLS Fine Program is to achieve timely and accurate information in the MLS Database, which is a business benefit to all MLS Participating Offices. The fines are intended to encourage corrective action so that future errors of the same kind are avoided. Further, the fine program is meant to be simple to understand and easy to administer, while still preserving the Brokers' and Agents' rights.

WHO MAY BE FINED: Agents or Brokers, depending on who violated the MLS rule, will be fined.

ADMINISTRATION OF FINES: The MLS Staff is authorized to confirm Violations of these Rules and Regulations and to impose fines as specified in these Rules and Regulations.

REFERRAL TO MLS COMMITTEE: If MLS Staff is reasonably certain that a Violation has occurred but either cannot confirm that a Violation has occurred or is unable to bring the administration of the Violation to a successful conclusion, then MLS Staff will refer the matter to the MLS Committee for its determination and action.

SECTION 7.1: FINES AND PROCEDURES FOR ADMINISTERING FINES

SECTION 7.1: A: FINES/PROCEDURES IN WHICH THE RULE REFERS TO ARTICLE 7

SUMMARY. This table is a summary of the fining process in a Fine Period. Please read the entire Article 7 for a complete understanding of the MLS Fine Program.

Violation	A requirement of an MLS rule has not been met; or failure to correct an infraction of the MLS rule in the time allotted for the correction. Each individual act or omission is a separate violation; provided however, that a single act or omission that affects more
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	than one listing shall be treated as a single violation without regard to the number of listings affected.
Fine Period	The prior 12 months.
No Fines	First Violation of different MLS rules. An Agent can violate one, two, or three different MLS rules (First Violation of each rule), and not be fined if the Agent corrects the infraction in 3 Business Days each time.
Fines	An Agent is fined when the same MLS rule is violated again or an infraction of a previously violated rule has not been corrected in 3 Business Days Second Violation: \$100 Fine. Third Violation: \$250 Fine. Fourth Violation: \$500 Fine. When four Violations have been committed.
Referral to MLS Committee	Fifth Violation: When five Violations have been committed, this is referred to MLS Committee, and the MLS Committee may assess a fine not to exceed \$15,000.00.
Payment of All Fines	The Agent or Broker, whoever is assessed the fine, is responsible for paying all fines assessed for Violations.

EXPLANATION OF THE FINE PROCESS: The following is a detailed explanation of the fine process.

THE BASIC STEPS IN THE PROCESS:

1. Violation. An Agent commits a Violation.
2. Notification. When an Agent commits a Violation, MLS Staff will send a notice to the Agent with the information appropriate to the Violation, including, as applicable, the corrective action for the Agent to take, the timeframe to correct the Violation, whether there is a fine and its amount if there is one, and the number of Violations the Agent has committed in the current Fine Period. The Agent's Broker will be copied on all notifications to the Agent.
3. Action. The Agent should take the appropriate action to correct the Violation.

4. Further Notification/Consequences. MLS Staff notifies the Agent if the Violation has not been corrected, and if it has not, informs the Agent of the consequences of not correcting the Violation.

DESCRIPTION OF VIOLATIONS AND THE FINING PROCESS:

First Violation of an MLS Rule in a Fine Period—No Fine: For the First Violation of an MLS rule in a Fine Period, MLS will notify the Agent of the Violation. If the Violation is corrected in 3 Business Days, there will be no fine. The Agent must correct this First Violation in 3 Business Days, or it will be deemed another Violation of the same MLS rule and escalates to a Second Violation.

Second Violation of an MLS Rule in a Fine Period—\$100.00 Fine: For the Second Violation of the same MLS rule in a Fine Period, MLS will notify the Agent of the Violation and the Agent will be fined \$100.00. The Agent must correct the Violation in 3 Business Days or it will be deemed another Violation of the same MLS rule and escalates to a Third Violation.

Third Violation of an MLS Rule in a Fine Period—\$250.00 Fine: For the Third Violation of the same MLS rule in a Fine Period, MLS will notify the Agent of the Violation and the Agent will be fined \$250.00. The Agent must correct the Violation in 3 Business Days or it will be deemed another Violation of the same MLS rule and escalates to a Fourth Violation.

Fourth Violation in a Fine Period: When the Agent has committed a total of Four Violations of the same or different MLS Rule in a Fine Period; the Agent will be fined \$500.00. The Agent must correct the Violation in 3 Business Days or it will be deemed another Violation and escalates to a Fifth Violation.

Fifth Violation in a Fine Period: When the Agent has committed a total of Five Violations in a Fine Period, the Agent will be requested to appear before the MLS Committee, and the MLS Committee may fine the Agent an amount not to exceed \$15,000.00. (See Article 9 for the full range of penalties that the MLS Committee may impose.)

MLS Committee's Right to Review Fine History: At any time during any Fine Period the MLS Committee reserves the right to review the Agent's history of MLS rule Violations.

Previous Fine Added to Current Fine: The fine amount for a previous offense, if not paid, is added to the fine amount of the current offense.

Suspending Computer Access and Lockbox Service: If an Agent does not pay a fine within ten (10) Days from the "Invoice Date" of the fine, which is the "Payment Due Date," the Agent's computer access to the MLS Database and the Agent's use of the lockbox service, if the Subscriber is a Keyholder, will be suspended until fines are paid in full.

SECTION 7.1: B: AUTOMATIC FINES WITH NO WARNING

The following fines are assessed with no warning and no time period for corrective action. If the Broker or Agent, or a Broker's or Agent's unlicensed personal assistant or unlicensed clerical staff, allows anyone not authorized to use his/her access codes to gain access to the MLS Database, a fine will be assessed upon confirmation by MLS Staff. In the event that the MLS Staff cannot confirm a violation based upon available information, the matter will be referred to the MLS Committee for its determination.

For the first offense; Five hundred Dollar (\$500.00) fine and a thirty (30) day suspension of access to the MLS Database;

For the second offense: One Thousand Dollar (\$1,000.00) fine and a sixty (60) day suspension of access to the MLS Database.

SECTION 7.2: STEPS IN REPORTING VIOLATIONS AND ASSESSING FINES.

1. A violation is discovered by, or reported to, MLS. The reporting may be oral or in writing. The reporting individual's name will remain confidential unless the individual is willing to have his/her name revealed to the person about whom he/she is submitting the complaint and/or to the MLS Committee.
2. In the event that the individual reporting the violation does not want his/her name revealed to the MLS Committee and the violation has been referred to the MLS Committee and the MLS Committee cannot make a determination whether a violation has occurred, the matter will be closed without further action.
3. If MLS Staff cannot determine whether a violation has occurred without certain documentation, MLS Staff is authorized to request confirming documents, which are to be supplied within 5 Business Days of the request. Such requested documents are considered confidential information.

When all requested documents are provided within 5 Business Days of the request and MLS Staff determines that a violation has occurred, MLS Staff will process the violation in accordance with Article 9, Section 9.1 Violations of Rules and Regulations as pertains to this Section 7.2.

SECTION 7.3: RESPONSIBILITY FOR PAYMENT OF FINES

Whoever, Agent or Broker, is fined for a Violation will be responsible for paying the fine. The Broker will be copied on any correspondence sent to an Agent affiliated with the Broker regarding Violations, and if a fine is to be assessed for the Violation, the Broker will be informed of the fine. If the Agent is fined, payment of the fine will be the Agent's

responsibility and not the Broker's. The Agent cannot avoid payment of a fine by changing MLS Participating Offices. If the Agent moves from one MLS Participating Office to another MLS Participating Office, the fine follows the Agent. If the Agent leaves the MLS, the fine will be the Agent's responsibility if he/she returns to MLS.

SECTION 7.4: REFERRAL TO MLS COMMITTEE

If the MLS Staff cannot determine or confirm that a Violation of a rule has occurred, then the matter will be referred to the MLS Committee for its determination and action. If the MLS Staff is unable to administratively bring the Violation of a rule to a successful conclusion, then MLS Staff will refer the matter to the MLS Committee for its determination and action.

SECTION 7.5: PAYMENT OF FINES

All fines to the Agent are due and payable ten (10) Days from the "Invoice Date" of the fine which is the "Payment Due Date." If the Agent is fined, payment of the fine will be the Agent's responsibility and not the Broker's.

SECTION 7.6: BROKER/AGENT CONTESTS FINE BY MLS STAFF

If a Broker or Agent feels that a fine, levied by MLS Staff, is unwarranted, the Broker or Agent may write the MLS Committee explaining the reason. The MLS Committee will decide, based on the written information, whether the fine levied by MLS Staff is warranted and so inform the Broker or Agent. If the Broker or Agent appeals the MLS Committee's decision, final determination will be made using the appropriate process described in Article 9 of the MLS Rules and Regulations, latest edition. However, the fines must be paid when due. If the Broker's or Agent's appeal is successful, the amount of the fine authorized by the appropriate entity will be refunded.

SECTION 7.7: SUSPENSION/TERMINATION OF SERVICE FOR NONPAYMENT OF FINES

SECTION 7.7: A:AGENTS: If an Agent does not pay a fine within ten (10) Days from the "Invoice Date" of the fine, the "Payment Due Date," the Agent's computer access to the MLS Database and the Agent's use of the lockbox service will be suspended until fines are paid in full.

SECTION 7.7: B:BROKERS: A Broker's fine will be added to the Broker's bill for MLS services and be subject to the procedures for payment associated with such billing. The Broker, on a case by case basis, may elect to pay an Agent's fine, in which case the Broker must notify MLS of that decision prior to the Agent's "Payment Due Date," and the Agent's fine will be added to the Broker's bill for MLS services and be subject to the procedures for payment associated with such billing.

SECTION 7.8: SUSPENSION/TERMINATION OF SERVICE FOR NONPAYMENT OF MLS BILL