

# **MIREALSOURCE**

## **PRINCIPLES OF PROFESSIONAL CONDUCT**

The purpose of the MiRealSource Principles of Professional Conduct is to reflect and reinforce the fundamental principles for which MiRealSource was established, to-wit: (i) the maintenance of a high level of integrity and professional competence in the conduct of the real estate profession, (ii) the promotion of a system of cooperation and compensation among real estate professionals, and (iii) providing the most accurate and up-to-date listing information to its Shareholders.

The obligations and duties imposed by these Principles of Professional Conduct are not exclusive and should in no way be interpreted to allow violations of federal or state laws. It is the responsibility of each MiRealSource Shareholder whether acting as agents or in non-agency capacities to be aware and knowledgeable of all duties and obligations imposed upon them by the Principles of Professional Conduct, and all other applicable state and federal laws.

MiRealSource Shareholders shall provide their professional services without regard for an individual's race, color, creed, sex, marital status, national origin, or handicap. MiRealSource Shareholders shall not advocate, approve, or support any agreements, plans, schemes or actions that discriminate against an individual on the basis of his/her race, color, creed, sex, marital status, national origin, or handicap.

All MiRealSource Shareholders and Affiliate members, (collectively referred to as "Shareholders") shall be subject to these Principles of Professional Conduct ("Principles") and the Rules and Regulations of MiRealSource ("Rules") and the MiRealSource Policies & Procedures ("Policies"). Any violators of the MLS Principles and Rules and/or Policies shall be subject to sanctions imposed for violations including but not limited to fines and/or other disciplinary action.

## **ARTICLE I GENERAL PRINCIPLES**

### Section 1

All information provided by MiRealSource to a Shareholder shall be considered privileged. Privileged information shall be considered confidential information and shall not be made available to any non-Shareholder unless specifically permitted by these Principles of Professional Conducts, or the MiRealSource Bylaws, Rules, Policies and applicable law.

### Section 2

Shareholders shall not make statements about other Shareholders , their companies or their methods of doing business, nor file complaints against other Shareholders for violations of these Principles of Professional Conduct, which a Shareholder knows are false, deceptive, derogatory, inaccurate, misleading or without merit.

### Section 3

Shareholders shall not provide advice or services on matters outside the scope of their real estate license.

### Section 4

Unless a licensed attorney, a Shareholder shall not engage in activities that constitute the unauthorized practice of law.

### Section 5

Shareholders shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other Shareholders have with clients.

### Section 6

In any Disciplinary or Arbitration proceeding conducted by MiRealSource in which a Shareholder is involved, whether as a party, witness, or member of the Screening Committee or Disciplinary Hearing Panel, Shareholders shall disclose all facts pertinent to such proceeding to all other parties and to the Screening Committee and Disciplinary Hearing Panel.

### Section 7

Shareholders shall not list property for sale or lease without proper authorization from the owner.

## Section 8

MiRealSource Shareholders shall supervise the work of any agent or affiliate licensed with them and shall require all such agents and affiliates to fully comply with MiRealSource Bylaws, Rules and Regulations, Policies and Procedures, and these Principles of Professional Conduct.

## Section 9

A segregated account in a recognized financial institution or title insurance company shall be maintained by all Shareholders for the purpose of depositing funds to be held in trust for the benefit of third parties, i.e. earnest money deposits, sales proceeds, escrows, etc.

## Section 10

In all cases where disputes arise between MiRealSource Shareholders, whether such disputes are based on alleged violations of these Principles of Professional Conduct, MiRealSource Rules and Regulations, or contractual disputes, the Shareholders involved should first attempt to resolve any such disputes through the exercise of professional courtesy and integrity in business dealings before resorting to the Disciplinary and/or Arbitration Procedures of MiRealSource.

## Section 11

MiRealSource shall have the right to modify, add to, delete or amend these Principles of Professional Conduct at any time and from time to time in accordance with rules established by the Board of Directors.

# **ARTICLE II DISCLOSURE PRINCIPLES**

## Section 1

Shareholders shall not disclose at any time confidential information disclosed to them which is encompassed by agency or non-agency relationships (as defined by state law) without specific written authorization by the party who discloses the confidential information to the Shareholders.

## Section 2

Shareholders shall not overstate, misstate, distort, misrepresent, or conceal pertinent facts relating to a property or a transaction of which the Shareholder has actual knowledge.

## Section 3

A Shareholder, whether acting as a listing broker or as a subagent for a Seller, or any member of a Shareholder's family (as defined below), who has an ownership interest in a property listed by that Shareholder, shall promptly disclose such ownership interest in any offer made for the property in question.

#### Section 4

Any Shareholder, any affiliate licensed with a Shareholder, or a member of the family of a Shareholder or an affiliate licensed with a Shareholder (as defined below), who is acting as a cooperating broker or transaction coordinator in connection with a property listed by another Shareholder, and who has (or may have) an ownership interest in such property, shall disclose any such interest no later than the time an offer to purchase is submitted to the listing broker.

#### Section 5

Family is defined as the spouse, child, children, grandchildren, parents, grandparents, brothers, sisters, parents-in-law, brothers-in-law or sisters-in-law.

### **ARTICLE III COMPENSATION PRINCIPLES**

#### Section 1

Shareholders shall fully disclose all conditions, requirements or stipulations for compensation and/or cooperation with other Shareholders.

#### Section 2

A Shareholder who is a listing broker shall not enter into any agreement with any other MiRealSource Shareholder or Shareholders to change the terms of compensation being offered to any other MiRealSource Shareholder or Shareholders.

#### Section 3

No Shareholders shall receive compensation from more than one party to the same transaction without full disclosure to, and the written consent of, all parties in advance of the payment of compensation.

### **ARTICLE IV ADVERTISING PRINCIPLES**

#### Section 1

Shareholders shall at all times adhere to strict truth-in-advertising standards when advertising to the public and other Shareholders of their company, professional status, affiliations, services or results.

#### Section 2

Shareholders must fully disclose in any advertising or other public or private offers, all material terms of an offer so that any party to whom an offer is made will have a clear, thorough, advance understanding of all the terms and conditions of the offer.

### Section 3

Shareholders shall not misrepresent the market value of properties in an attempt to secure business or for any other purpose.

### Section 4

Only Shareholders who were either the listing broker or cooperating broker in the sale or lease of a property may advertise that they have sold or leased the property in question.

### Section 5

No Shareholders nor any agent or affiliate of a Shareholder shall advertise a listing without proper disclosure of the name and address or telephone number of the Shareholder's company.

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