



Penalty Policy & Procedures

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Penalty Policy

The **ValleyMLS.Com, Inc.** is responsible for the enforcement of ValleyMLS.Com Rules and Regulations and ValleyMLS.Com Penalty Policy and Procedures. All written complaints involving violations of the ValleyMLS.Com Rules and Regulations or ValleyMLS.Com Penalty Policy and Procedures will be considered by the ValleyMLS.Com Staff in accordance with this policy.

All complaints of unethical conduct or requests for arbitration may be referred to the applicable Association where the Participant holds primary membership or to the Association where Participant maintains its principal place of business.

Integrity of data is the most precious commodity that any MLS has. Protection of the integrity of the data is a challenging task, but paramount to providing our Subscribers with the best and most accurate data to serve the day to day needs of the consumers that are your clients.

To better serve our membership and safeguard the information contained in the MLS database, the **ValleyMLS.Com** has enacted the following Penalty Policy in accordance with Section 7, **Compliance with Rules**, of the ValleyMLS.Com Rules and Regulations and the ValleyMLS.Com Penalty Policy and Procedures document.

This policy does not cover violations of the Code of Ethics which fall under the jurisdiction of the members local associations which comprise the **ValleyMLS.Com**. Therefore, professional standards enforcement is administered through your local Association of REALTORS®.

Fines and other penalties will be administered according to this policy and are subject to change by the ValleyMLS.Com Officers and Directors.

Summary of Penalty Process and Reporting violations

Potential violations of the ValleyMLS.Com. Rules & Regulations are reported to ValleyMLS.Com Staff in a variety of ways. A subscriber may report a potential violation using the “Correction” or “Agent Reporting” link located in Paragon, or through other means of communication. ValleyMLS.Com may require that verbal or phone reports be followed up in writing before action is taken. Listing Data Checker may identify one or more potential violations within a listing and members are notified via email. Additionally, ValleyMLS.Com Staff may find potential violations by randomly checking listings, or by researching listings due to another violation that has been reported. Not all violations will incur a penalty, as described in this policy. **If photo proof is required; those should be sent to compliance@valleymls.com.**

AUDITS:

Failure to comply with any MLS audit request within 24 hours of notice, will result in a fine.

Initiators of Alleged Violations:

Alleged violations of the ValleyMLS.Com Rules and Regulations must be made in writing and may be initiated by:

- a. ValleyMLS.Com Participants (Brokers/Designated Realtor)
- b. ValleyMLS.Com Subscribers
- c. Staff of ValleyMLS.Com

Violations may also be reported through the online MLS system using the tools available there for reporting violations. Potential violations of the MLS rules will be processed in accordance with MLS Policy Statement 7.21, and under the process provided for in this policy and in Section 9 of the ValleyMLS Rules and Regulations.

Categories of Alleged Violations:

If a violation occurs, it will fall into one of the following three (3) categories:

- a. Category 1 violation means a rule violation relating to any listing information provided by a participant or subscriber
- b. Category 2 violation means a rule violation relating to listing copyright violations, mis-use of MLS data, unauthorized MLS access, unauthorized access of ValleyMLS services
- c. Category 3 violation means a rule violation relating to cooperation with a fellow participant or subscriber and mandatory submission of listings to the service.

Category 1 Violations

Category 1 Violations are primarily errors or violations that lead to inaccurate listing data and often affect other fields or calculations within the listing. Any field within the listing that the subscriber has access to add/edit/alter. Examples of Category 1 violations include but are not limited to the below list. Please refer to the ValleyMLS Rules & Regulations for the complete list of rules.

- Entering incorrect schools
- Entering duplicate listings
- Entering incorrect information to bypass a required data field
- Mis-representing the correct Property Type
- Invalid square footage information or room dimensions
- Failure to record the correct status of the listing within the time allowed per MLS rules
- Including personal contact (branding) information in any public field, photo, or virtual tour
- Claiming “team” sales as personal sales of which the agent had no direct involvement in the transaction
- Violation of Advertising (social media, IDX)
- Using “See Remarks” to bypass a required field.

Category 2 Violations

Category 2 violations **will incur an immediate fine**. These violations relate to listing copyright violations, misuse of MLS data, and unauthorized access to ValleyMLS and its services. Examples include but are not limited to:

- Using photos from a previous listing without proper licensing or authorization
- Any Violations of the “Data Use” policy
- Any Violations relating to IDX or VOW display
- Using the Membership Roster (for reasons other than member-to-member communications) or providing the member roster to **any** third party.
- Violation of policy 7.43 “Waiver of MLS” (See ValleyMLS Policies) for details.
- Sharing MLS credentials with any other individual/party or other unauthorized access

Category 3 Violations

Category 3 Violations **will incur an immediate fine**. These violations relate to cooperation with a fellow participants/subscribers and the mandatory submission of listings to the service. Examples include but are not limited to the following:

- Violation of the Clear Cooperation Policy
- Violation of the Office Exclusive Policy
- Violation of the Coming Soon Policy
- Violation of the Temporary Off Market Policy
- Violation of any rule relating to cooperation with a fellow participant or subscriber

CATEGORY 1 VIOLATIONS

Violation	Details	Fine Escalation
AUDITING LISTINGS	Failure to respond to an audit request for listing paperwork or paperwork relating to the sale of property within 24 hours of request. (Contract, addenda, etc.)	\$100 \$250 \$500
Listing entered in the MLS without a valid listing agreement	Listing is active without a valid listing agreement	\$100 \$250 \$500
Duplicate listing entered	See exceptions in Section 34 (Entering in multiple classes) of the ValleyMLS Rules & Regulations	\$100 \$250 \$500
Limited Service Listings	Not following the guidelines outlined for a limited-service listing.	\$100 \$250 \$500
Full terms of sale specified	No reference indicating owner will accept less than the full price listed (i.e., Motivated seller, at full price, must sale fast, etc.) *THIS IS AN IMMEDIATE FINE	\$100 \$250 \$500
Improper use of Apx Age of NEW/Never Occupied	The appx age of new can only be used for properties that have never been occupied	\$100 \$250 \$500
Failure to enter required Owner Association information	All OA fields (RES & Land/Lot) are required for properties located within a community with an Owner Association	\$100 \$250 \$500
Owners Name Required	Failure to provide valid FULL Owners Name on MLS listing (Rentals excluded)	\$100 \$250 \$500
REALTOR Owned	Failure to notate that property is Agent owned. Such details must be disclosed in agent remarks	\$100 \$250 \$500
Offering a Bonus to Selling Agency	Failure to correctly enter the bonus information and include any conditions which must be met.	\$100 \$250 \$500
Source of Square Footage	Invalid entry of source of square footage	\$100 \$250 \$500
Audit to Verify the Source of Square Footage	Failure to respond to audit request for paperwork or paperwork relating to the source of sqft within 24 HOURS of request. (Drawing with measurements or first page of Uniform Residential Appraisal Report)	\$100 \$250 \$500
Coding Foreclosure Property	Coding a property as a Foreclosure is required for properties with outstanding redemption	\$100 \$250 \$500
Classes and Property Types accepted	Invalid property type listed.	\$100 \$250 \$500
Model Homes	Model Homes are permitted as long as details of the model home are listed in agent remarks and the pricing and availability of the home is clearly stated.	\$100 \$250 \$500

Active Property	Must be available for showing immediately upon submitting as active listing.	\$100 \$250 \$500
Contingent/Pending	Must be changed to Pending/Contingent status within 3 working days of accepted contract	\$100 \$250 \$500
Passed Projected Closing Date	Listings that go more than 3 business days passed the projected closing date without being updated are subject to penalty.	\$100 \$250 \$500
Sold Status	Failure to enter Sold data within 3 working days after closing date.	\$100 \$250 \$500
Failure to report sold data	When reported (and verified) by MLS STAFF that a listing was cancelled, but in fact was sold, the listing agent will incur an IMMEDIATE FINE.	\$100 \$250 \$500
Office Exclusive, Coming Soon Addendum, OR TOM Listing Change Notice	Failure to provide a copy of the Waiver of MLS or Coming Soon Addendum, within 3 working days of effective date on listing agreement OR Listing Change Notice for a TOM listing within 3 working days of status change	\$100 \$250 \$500
TOM Status (Available for up to 30 days)	Using the Temporary Off Market (TOM) status longer than the allowed 30 days	\$100 \$250 \$500
Proposed Construction 1 listing per floor plan is permitted	Entering more listings than floor plans available	\$100 \$250 \$500
Maintaining a valid email address with ValleyMLS.Com	Members are required to keep a valid email on file with the service	\$100 \$250 \$500
Interest in Land required	All properties listed (including mobile homes) must have an interest in land	\$100 \$250 \$500
Fair Housing Violation	No inappropriate language, mis-use of remarks fields, or violation of Fair Housing, safety or security issues is allowed	\$100 \$250 \$500
Minimum Photo Requirement	A MINIMUM of one CURRENT front exterior photo or rendering, aerial photo, or water view of the property must be uploaded before a listing is made Active or Coming Soon. COPYING/USING PHOTOS OF ANOTHER SUBSCRIBER IS PROHIBITED. THIS IS AN IMMEDIATE FINE.	\$100 \$250 \$500
Removing Photos	<u>Removing photos is prohibited.</u> <u>All photos</u> for both Active and off-market listings must remain on the listing as part of the historical record showing the listing as it existed when it was on the MLS	\$100 \$250 \$500
Photos display details	The following is prohibited: Contact information (email, phone number, url, name); For Sale sign(s) or any other service-related sign; URL Address/ No information that would direct the user, in any way, to contact information, or other information about a real estate agent or broker, or other individual or entity with a connection to the business of real estate. THIS IS AN IMMEDIATE FINE.	\$100 \$250 \$500

Virtual Tour	Follow the same display rules as photos regarding contact information and the primary focus of the Virtual Tour should be of subject property. THIS IS AN IMMEDIATE FINE.	\$100 \$250 \$500
Public Remarks	The same rules for photos also apply to public remarks or any field that can be seen by the public. No alarm codes, contact instructions, information about individuals, or other sensitive information is prohibited. THIS IS AN IMMEDIATE FINE.	\$100 \$250 \$500
Private / Agent Remarks	Available to other MLS subscribers and cannot be displayed to customers, clients or consumers. The primary focus /purpose of this private field is to convey additional information of listed property.	\$100 \$250 \$500
“See Remarks”	Using “See Remarks” to bypass a required field	\$100 \$250 \$500
REPORTING SALES (Claiming Team Sales)	Claiming company/team production as personal of which the agent had no direct involvement in the transaction is not permitted. Reporting an incorrect agent on the sale is not permitted.	\$100 \$250 \$500
REPORTING SALES INCORRECTLY	Reporting incorrect data on the sales information (Date/Terms/Type/concessions/Amount/Selling Brokerage/Agent	\$100 \$250 \$500
Advertising non IDX listings	Advertising a listing of another participant without written permission	\$100 \$250 \$500
FOR SALE Sign	Only the FOR-SALE sign of the listing broker may be placed on a property. (selling company must have written permission of the listing company and the seller to place a sold sign or similar sign on a property)	\$100 \$250 \$500
Failure to follow occupancy status and showing instructions	Showing agents are required to verify occupancy status and showing instructions prior to entering a home	\$100 \$250 \$500
Lockbox /To Show Violation	If the property is coded as having a lockbox (LB) in the To Show field, the lockbox must be an association owned lockbox.	\$100 \$250 \$500
Unauthorized Disclosure and/or Distribution of MLS Compilation or Agent Roster	ValleyMLS.Com information may be disclosed to persons essential to the conduct of the Subscriber’s business and each subscriber is responsible for maintaining the security and integrity of all data (written or printed). Providing an email lists to a third party and/or sending out mass emails without an option to opt-out is prohibited.	\$100 \$250 \$500
Broker Load/Listing Paperwork	Failure to submit new paperwork to the Association/MLS for EACH agent/assistant that will be making changes on property listings. THIS IS AN IMMEDIATE FINE.	\$100 \$250 \$500

CATEGORY 2 VIOLATIONS- All Category 2 violations are immediate fines.

Violation	Details	Fine Escalation
Sharing MLS Credentials with any other individual / party.	Providing MLS login credentials to any third party, (individual or vendor) for any reason, is prohibited.	\$500 \$1000
Unlicensed Assistants	Failure to report the status of an unlicensed assistant who has MLS access within 10 days of separation.	\$500 \$1000
Copyright Violation	Using photos from another listing without proper authorization or license	\$500 \$1000
Violation of the ValleyMLS Data Use Policy	See full details outlined in the Data Use Policy	\$500 \$1000
Violation of “MLS of Choice” policy 7.43	Any licensee who uses ValleyMLS Services but does not subscribe to ValleyMLS.	\$500 \$1000
Sharing Lockbox Key	Unless otherwise noted, sharing your lockbox key with anyone is prohibited and will result in an immediate fine	\$500 \$1000
IDX or VOW Display Violation	Rules violation relating to IDX and VOW Displays	\$500 \$1000

CATEGORY 3 VIOLATIONS- All Category 3 violations are immediate fines.

Violation	Details	Fine Escalation
Coming Soon (Showing)	Showing Property while in Coming Soon	\$1000 \$2000
Temporarily Off Market (Showing)	Showing Property while in Temporarily Off Market Status	\$1000 \$2000
Temporarily Off Market (Advertising)	Marketing a Property while in the Temporarily Off Market Status, in violation of the policy	\$1000 \$2000
Public Service Members	Mis-use of MLS Services/Data (using MLS data for anything other than to assist in the normal performance of their jobs).	\$1000 \$2000
Violation of Certification of non-MLS Use	The fee waiver for a licensee will be revoked if found in violation of the “Certification of non-MLS use” policy. The penalty for violation will be assessed to the ValleyMLS.com Participant.	\$1000 \$2000
Marketing Office Exclusive listing	Publicly Marketing an Office Exclusive Listing	\$1000 \$2000
Clear Cooperation Violation	Failure to enter listing within 1 Business day of public marketing	\$1000 \$2000

When a Category 1,2, or 3 Violation listed above is found, ValleyMLS staff will contact the Subscriber and Participant of the Subscriber by email only, in accordance with this policy as detailed below.

MLS Participants and Subscribers will receive no more than 3 (three) administrative sanctions in a 12-month period before they are required to attend a hearing for their actions and potential violations of MLS rules. (Members will remain at the “third offense” penalty level until 12 months past the latest violation of the same type.)

A copy of all administrative sanctions against a subscriber may be sent to the subscriber’s participant. The participant will be required to attend hearing(s) of a subscriber who has received more than three (3) administrative sanctions within a 12-month period. Participants are required to appear before the committee prior to the Subscriber and remain in attendance for the duration.

NOTE: ValleyMLS, at its discretion, may change the status of any non-compliant listing to “ACTIVE Non-Compliant,” which removes the non-compliant listing from the on-market listing compilation and from syndication until the violation is corrected. Both the Listing Subscriber and Participant will be contacted immediately by email.

NOTIFICATION:

1. The Listing Subscriber and Participant will be contacted, by email only, and the listing subscriber will have a 3-working day grace period to correct any correctable violation or inaccurate data. If the violation is not corrected within the 3 working days allowed, a fine (as detailed above) will be assessed. **Some violations are not considered correctable and will incur an immediate fine.**
2. Once invoiced, the fine will be due 7 days after invoice date. If the initial fine is not paid within seven (7) days and the listing corrected, access to the service will be suspended until the listing is corrected and payment is made.
3. If the fine remains unpaid after 60 calendar days from invoice date, the unpaid fine will become the responsibility of the agent’s broker. The broker will be notified and invoiced for the unpaid fine.

Note: Within the 60 calendar days, the broker has the option of returning the agent’s license in order to be released from the fine. If the agent re-activates his/her license with a new brokerage, the agent’s MLS access will remain in suspended status until all unpaid penalties are satisfied. If the agent does not re-activate his/her license with another brokerage within 1 year the fine will be written off and noted in the agent’s member record.

Note: In the event the listing agent (subscriber) leaves a brokerage, and the listing is retained by the broker, causing the listing agent to lose access to maintenance of said listing, the broker (participant) will be held responsible for making any and all updates or changes, to include sold information. **Any new fees, fines, or other penalties incurred for non-compliance with MLS rules and regulations during this period shall become the responsibility of the Participant who retains the listing(s).**

NOTE: Failure to maintain a current and accurate email address, home postal mailing address, or office postal address on file with your Association and with ValleyMLS.Com will not exempt the Participant or Subscriber from having been sent notice, nor may the absence of a current and accurate mailing address of any kind be used as the grounds for appeal.

This policy has been established in compliance with ValleyMLS Rules and Regulations Sections 7 and 9:

COMPLIANCE WITH RULES – Authority to Impose Discipline ValleyMLS Rules and Regulations (Section 7)

The ValleyMLS Board of Directors is responsible for establishing fines and other penalties that shall be imposed for violations of these rules. The schedule of fines shall be adopted as Policy and may be amended from time to time as recommended by the MLS Compliance Committee and approved by the Board of Directors.

By becoming and remaining a participant or subscriber in ValleyMLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Each participant is subject to these rules with regard to licensees affiliated with the participant who are subject to fee waiver under Policy 7.43. Discipline that may be imposed may consist of one or more of the following to be determined by ValleyMLS Officers & Directors.

1. Letter of Warning with copy to be placed in Member's file;
2. Letter of Reprimand with copy to be placed in Member's file;
3. Requirement that the Member attend ValleyMLS.com’s portion of the Board Indoctrination Course;
4. Retroactive fees related to any licensee granted a fee waiver under Policy 7.43 in the event the MLS determines that the licensee made any use of MLS services prohibited in Policy 7.43 during the period of waiver;
5. Appropriate and reasonable fine not to exceed \$15,000.

6. Suspension of MLS rights, privileges, and services not to exceed one year, with automatic reinstatement in good standing at the end of that one year;
7. Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed 3 years.

ENFORCEMENT OF RULES or DISPUTES – Consideration of Alleged Violations

ValleyMLS Rules and Regulations (Section 9)

The Use of Fines as Part of Rules Enforcement:

The imposition of moderate fines is considered sufficient to constitute a deterrent to violation of the MLS Rules and Regulations. Suspension or termination is a sanction to be used in cases of extreme violations or repeated violations of the MLS Rules and Regulations.

In any instance where a participant in an association multiple listing service is charged with a violation of MLS bylaws, policies or rules and regulations of the service, and such charge does not include alleged violations of the Code of Ethics or the Standards of Conduct for MLS participants, or a request for arbitration, the MLS may impose administrative sanctions. Recipients of an administrative sanction may request a hearing before the MLS Compliance committee of ValleyMLS.com.

Request to Waive Fine

- All members are entitled to a “one-time” waiver on fines of \$100 upon request. This is not automatic. The member must request the use of their waiver by replying to the invoice email.
- This waiver will reset 5 years after use, allowing the member to take advantage of the waiver again.

Appeals Process

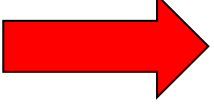
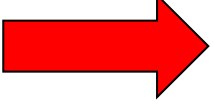
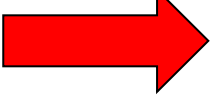
- All appeals must be filed in writing by filling out the “Request to Appeal” MLS fine document and return the completed form to mlssupport@valleymls.com. The form must provide a detailed explanation (including any supporting documentation) on why the Subscriber feels that the penalty should not be assessed.
- Appeals may be filed on any fine/violation.
- The penalty fine will be suspended during the appeal process.
- Once the written appeal is received, the ValleyMLS.com member will be notified of the date and time of the appeal hearing.
- Participants are required to appear before the committee prior to the Subscriber and remain in attendance for the duration.

After an appeal decision is made by the ValleyMLS Compliance Committee and the ValleyMLS.com Board of Directors, the appellant will be notified of the decision.

The Subscriber and their Participant must attend the meeting at which the appeal is being considered.

The compliance committee will hear all appeals and will make a determination on which of the administrative sanctions to pursue as described below. The ValleyMLS.com Board of Directors shall make a final determination of the discipline which may include:

ADMINISTRATIVE SANCTIONS

CATEGORY 1		
<ul style="list-style-type: none"> <input type="checkbox"/> Letter of Warning <input type="checkbox"/> \$100 <input type="checkbox"/> Attendance at relevant education session <p>Any combination of the above</p>	<p>If this is a repeat category 1 violation</p> 	<p>REPEAT VIOLATION</p> <ul style="list-style-type: none"> <input type="checkbox"/> Letter of Reprimand <input type="checkbox"/> Fine of \$250 or \$500 thereafter <input type="checkbox"/> Attendance at relevant education session(s) <p>Any combination of the above</p>
CATEGORY 2		
<ul style="list-style-type: none"> <input type="checkbox"/> Letter of reprimand <input type="checkbox"/> Fine of \$500 <input type="checkbox"/> Attendance at relevant education session(s) <p>Any combination of the above</p>	<p>If this is a repeat category 2 violation</p> 	<ul style="list-style-type: none"> <input type="checkbox"/> Attendance at relevant education session(s) or course <input type="checkbox"/> Fine of \$1000 thereafter <input type="checkbox"/> Suspension from the MLS or from the MLS' lockbox key access for three (3) months or less <p>Any combination of the above</p>
CATEGORY 3		
<ul style="list-style-type: none"> • Letter of reprimand • Fine of \$1000 • Attendance at relevant education session(s) • Suspension from MLS or from use of the MLS' lockbox key access for ninety (90) days or less <p>Any combination of the above</p>	<p>If this is a repeat category 3 violation</p> 	<ul style="list-style-type: none"> • Attendance at relevant education session(s) or course • Fine of \$2000 thereafter • Suspension from MLS or from use of the MLS' lockbox key access for six (6) months or less • Termination from MLS or from use of the MLS' lockbox key access for 1 to 3 years <p>Any combination of the above</p>