

Appendix A

Data Integrity Standards Violation Enforcement and Fine Schedule

Member organizations of CARETS (“Members”) will apply the following enforcement policies and fine schedule for violations (“Violations”) of the MLS Rules and Data Integrity Standards.

1. The following are the Required Steps for Members and their associations to follow to properly enforce their subscribers and participants’ (“Users”) compliance with the MLS Rules and Data Integrity Standards:
 - (a) Any act or omission which is in violates the MLS Rules/Data Integrity Standards shall be deemed a “Violation” and the party who commits the Violation shall be deemed a “Violator.”
 - (b) In connection with the first three individual listings in which a Violation(s) is found, a single correction notice (“Warning”) for each shall be sent to Violator with a copy to the Violator’s broker of record.
 - (c) The Violator shall have two (2) business days from receipt of the Warning to either correct the Violation, or clarify with the MLS/AOR who issued the notice why the act was not a Violation.
 - (d) If the Violation is corrected, or if the Violator provides sufficient grounds to find the act or omission was not a Violation, no further action shall be taken against the Violator. The Violator **must** notify their MLS/AOR that the correction has been made in the system. Failure to notify shall be treated as a failure to cure, and thus a further Violation.
 - (e) If the Violation is not corrected or resolved by proper explanation within the two (2) business day period then the Violator shall be penalized pursuant to the Violation Fine Schedule set forth below.
 - (f) If a User receives three Warnings in a calendar year, then there shall be no further Warnings and all subsequent Violations during that calendar year and the Violator shall be subject to the penalties set forth below in the Violation Fine Schedule.
 - (g) For all purposes hereunder, the terms “Warning” and “Warnings” are intended to describe the first three (3) Violations and are simply distinguishable by the fact the penalty can be avoided by curing that Violation. As such, all references to Violation(s) are intended to include Warning(s).
2. For the purpose of the Violation Fine Schedule, the number of Warnings and Violations will be tracked on a calendar year basis. On the first day of each calendar year the counts for all Users will be reset to zero (0).
3. A listing that contains one or more Violation(s) on the same day is considered a single Violation event for purposes of the Violation Fine Schedule, regardless of the category or nature of the Violation.
4. A listing that contains more than one Violation on the same day will be treated as a single Violation for purposes of the Violation Fine Schedule. Multiple Violations, for a single listing, that occur on the same day but are reported separately shall be also treated as a single Violation.

5. Receipts of Warnings and/or any other notices of Violations are presumed to be two (2) business days after mailing or one (1) business day after email or facsimile transmission. Failure to correct a noted Violation within the allowed time period will result in a new Violation for the uncorrected Violations with the associated fine for that level of Violation. New Violations will be issued for any remaining uncorrected Violations as each correction period expires until the Violations are corrected or the maximum fine is reached as detailed in Paragraph 9 below. For all purposes of the Violation Fine Schedule, holidays and weekends will be excluded from time calculations.
6. The fine amount is determined by the total number of violations accumulated by each User during a calendar year.
7. The Violation Fine Schedule is as follows:

<u>First through Third Individual Violation – Warning Notice:</u>	No Penalty if corrected within two (2) business days
<u>Uncorrected After Warning:</u>	Citation Letter with \$250 Fine/Class Option
<u>Fourth Individual Violation or Uncorrected After Citation:</u>	Citation Letter with \$500 Fine
<u>Fifth Violation and Subsequent Violations:</u>	\$500 Fine

8. The sanction for a violation of the CARETS MLS Rules 13.1, 13.2, 13.9 and 13.10 and as specifically defined in Rule 14.3, be an immediate fine assessment with no warning; and the assessment shall be the maximum amount allowable under the current NAR structure at the time of the offense.
9. If the Violator opts to attend a compliance training class in lieu of paying one \$250 fine, the Violator will pay a \$50.00 non-refundable one-time fee and complete the course within a 60-day period. The Violator will be given the opportunity for one make-up session only. Failure to complete the make-up session will result in assessment of the full \$250 fine for the applicable Violation. One class only may be taken in a calendar year.
10. The maximum accumulated fine for a single Violation shall be \$2,500.
11. If the maximum accumulated fine amount has been assessed and the Violation has not been corrected, the Violator’s MLS privileges may be suspended until all accumulated fines have been paid and the noted Violation(s) has been corrected.
12. Fines are due within fifteen (15) business days of receipt of a Violation notice. Receipt shall be based upon actual receipt by the applicable Member or its association.
13. If a Violator believes that a Violation notice and fine was issued in error, the Violator may request a hearing in accordance to the procedures set out by their MLS/AOR.
14. Failure to pay assessed fines may result in suspension of MLS privileges as detailed in Paragraph 17.1 of the MLS Rules and Regulations.
15. These standards set forth herein are to be followed in their totality by all Members. Members are required to enforce these standards upon their associations and Users.