

Introduction

The *California Code of Ethics and Arbitration Manual* (“Manual”) is designed and intended for use by Member Associations of the California Association of REALTORS® (“C.A.R.”) for administration of professional standards matters. The Manual is drafted to be in compliance with the applicable policies of the National Association of REALTORS® and California state law. If a Member Association desires to adopt a different set of rules for administration of professional standards or desires to change the model provisions contained herein, it is recommended that the Member Association have such rules and procedures reviewed by legal counsel and approved by NAR prior to actual use.

Changes to this Manual

From time to time C.A.R. updates this Manual to comply with changes in NAR policies or California law. All substantive changes to the Manual from the last edition have been made and shown in red underlined typeface.

Some of the major changes to the Manual for 2020 are as follows:

1. To conform with NAR Policy, the following was added to Section 18(a): “Where an ethics hearing takes place in a respondent’s absence, the respondent is still entitled to be represented by counsel at the hearing.”
2. To conform with NAR policy, the following was added to Sections 20(b) and 56(b): “When a party utilizes the Association or C.A.R. ombudsman program, the filing deadline is suspended until the case is reported closed by the ombudsman.”
3. In order to prevent complainants from ignoring Association communications, the following has been added to Section 26(a) and 56(c): “Additionally, at any time after the disciplinary complaint has been submitted and acknowledged by the Association Executive, the complainant must respond to any communications from the Association Executive within ten (10) business days. If no response is received from the complainant after ten (10) business days, the Association may consider the complaint withdrawn.”
4. To conform with NAR policy, the following was added to Section 27(a): “Complaints cannot be amended to add, or substitute, other individuals as complainants except as mutually agreed to by the parties.”
5. Section 32 and 64 were revised to clarify situations in which a continuance fee may be assessed to a party.
6. Section 42(f) was added to specify claims that cannot be arbitrated at the Association pursuant to NAR policy.
7. Section 54(a) was revised to clarify that a broker may appoint a REALTOR® to attend an arbitration hearing on his or her behalf when the broker is unable to personally attend.
8. Pursuant to NAR policy, Section 56(h) was revised to indicate that the Association may elect to charge the respondent in an arbitration a filing fee of up to five hundred dollars (\$500).

Questions

C.A.R. provides this Manual as a member service to Member Associations. In addition, the C.A.R. provides advice to Member Associations regarding the interpretation and application of the *Manual*. Any questions from Member Associations regarding this *Manual* can be directed to the C.A.R. Corporate Legal Department at (213) 739-8381.