

CALIFORNIA ASSOCIATION OF REALTORS®

California Interboard Arbitration Rules

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Prepared by
CALIFORNIA ASSOCIATION OF REALTORS®
Corporate Legal Department

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Section 1. Definitions, As used herein

a) "Dispute" means a controversy arising out of the real estate business.

b) "C.A.R." means the CALIFORNIA ASSOCIATION OF REALTORS®.

c) "Members" means the REALTOR® or REALTOR-ASSOCIATE® members of any California Board affiliated with C.A.R., or any individual REALTOR® member of C.A.R.

d) "Board" means local Boards or Associations affiliated with C.A.R. and NAR.

e) "Directors" means the appropriate body appointed from the C.A.R. directors to review arbitration awards.

f) "Hearing" refers to an arbitration hearing involving a controversy arising out of the real estate business or a Directors' review hearing of an arbitration award.

g) "Party" means the complainant or respondent in an arbitration.

h) "Hearing Panel" means an arbitration hearing panel or the Directors when hearing a review of an arbitration award.

i) "C.A.R. Chief Executive Officer" means the C.A.R. Chief Executive Officer or his or her authorized assistants.

j) "Responsible Broker" means the broker designated in the records of the Department of Real Estate to be responsible for the conduct of individuals affiliated with his or her office(s).

Section 2. Duty to Arbitrate Before C.A.R.

When the Duty to Arbitrate Arises

For purposes of the applicability of this Section, membership shall be determined at the time the facts giving rise to the dispute occur. Termination of membership from a Board of REALTORS® and C.A.R. shall not relieve the arbitration duty under this Section for disputes that arose when the person was a member of any Board and C.A.R.

a) Duty to Arbitrate; Disputes Subject to Arbitration

By becoming or remaining a member, every member binds himself or herself, and the firm for which he or she acts, and agrees to submit to the interboard arbitration facilities of C.A.R., a dispute with a member of any other local Board affiliated with C.A.R., provided 1) Bylaws of the local Board incorporate the California Code of Ethics and Arbitration Manual or contain a provision similar to Section 45 of Part Two of that Manual; and 2) C.A.R. maintains arbitration facilities capable of handling the dispute.

b) Responsible Broker

If a member files for arbitration of a dispute involving his or her responsible broker (but not between the member and the responsible broker), the responsible broker with whom the applicant member was associated at the time the dispute arose must join in the complaint.

c) Agreement to Arbitrate Outside of the Association

Notwithstanding any other provision of these rules, if any member enters into an agreement (either before or after the dispute arises) with other members to arbitrate a dispute utilizing a non C.A.R. facility, such member is not bound to arbitrate the dispute covered by such agreement utilizing C.A.R. facilities nor shall C.A.R.'s facilities be available for such arbitrations.

d) Claims that Cannot be Arbitrated at the Association

Pursuant to NAR policy, the following types of claims shall not be arbitrated at any REALTOR® Association:
(i) tortious interference with business relationships;
(ii) tortious interference with a contractual relationship; (iii) economic duress; (iv) intentional infliction of emotional distress; (v) other tort claims, such as libel/slander; (vi) employment claims, other than commission disputes; (vii) fraud and/or misrepresentation claims; (viii) property claims, both real and personal; (ix) Disputes between two listing brokers where no contract exists between the parties and the dispute is not as specified in Standard of Practice 17-4(4). In addition, NAR limits the award in an arbitration proceeding to the amount in dispute, and so an arbitration award will not include punitive damages or damages for pain and suffering.

Section 3. C.A.R.'s Right to Decline Arbitration

a) Hearing Panel Declining Arbitration

If the hearing Panel selected in the manner hereinafter provided determines that the dispute should not be arbitrated because of the magnitude of the amount involved or the legal complexity of the controversy, it shall so report (Form IBA-20, Release of Parties from Duty to Arbitrate) to the C.A.R. Chief Executive Officer.

If a hearing Panel has not been convened, C.A.R. legal counsel, after reviewing the complaint and response, may recommend to the C.A.R. Chief Executive Officer that the dispute not be arbitrated because of the magnitude of the amount involved or the legal complexity of the controversy. If the C.A.R. Chief Executive Officer concurs, the arbitration shall terminate and the parties shall be relieved of their arbitration agreement. In this event, any filing fees paid by parties shall be returned to the parties. If the C.A.R. Chief Executive Officer does not concur, the matter shall be referred for hearing before a new Panel.

b) Postponement for Litigation

If an otherwise arbitrable matter is the subject of civil litigation pending at the time the complaint is filed or while the arbitration is being processed, arbitration shall not take place unless the litigation is withdrawn or referred to C.A.R. by the court for arbitration in accordance with these procedures.

Section 4. Hearing Regions

a) The regions provided for in the C.A.R. bylaws shall be the hearing regions for purposes of administering interboard arbitration.

Section 5. Interpretation of Bylaws

a) If any provision of this manual, the bylaws or rule or regulation relative to the procedure of a Panel's handling of a matter is involved, the interpretation by that Panel of the manual, bylaw or rule or regulation shall be part of the award and as such shall be set forth as a separate finding and shall be conclusive and final, except as provided in Sections 29 and 30.

Section 6. Notices

a) Methods of Notice by C.A.R.

When possible, email is the preferred form of service for notices and documents sent by the Association. C.A.R. utilizes a secure, online platform for the delivery and exchange of all notices and documents. Any notice required to be given or paper required to be served by the Association may be given or served by personally handing it to the party to be notified, by first class mail, by any mail delivery service or by certified mail addressed to the mailing address on the records of the Association.

If mailed or delivered by the Association, notice shall be deemed given when placed in the mail or when given to the mail delivery service and deemed received within five calendar days of such mailing or delivery, regardless if actually received or not.

b) Email Notices

Notices sent by email shall include C.A.R.'s request that delivery be acknowledged by the intended recipient/s within twenty-four (24) hours by return email. If there is no valid email, notices will be sent by mail. If the intended recipient does not acknowledge receipt of the notice within twenty- four (24) hours, the recipient will be contacted by telephone to confirm receipt and the recipient's confirmation will be noted in the file. If receipt of notices sent by email cannot be confirmed, the notices will be resent via first class mail, by any mail delivery service or by certified mail.

c) Notices for Hearings

Notice of any hearing shall include the names of the members of the Panel at the time said notice is given. Notice of any hearing except for an adjourned or continued hearing, shall be given not less than twenty-one (21) calendar days beforehand unless otherwise agreed upon by all parties.

Section 7. Waiver

a) Each member, by virtue of and in consideration of membership, waives any right of personal redress against C.A.R., C.A.R. employees, any member, including but not limited to, members of a Panel or witnesses for anything done under these procedures.

Section 8. The Association Executive's Function

a) The C.A.R. Chief Executive Officer or delegate ("Officer") is the administrative channel through whom the C.A.R. Interboard Arbitrators and Mediators and the C.A.R. Directors correspond and carry out their respective functions. The Officer does not make decisions or determinations concerning professional standards matters and must be careful to avoid making such determinations. Rather, the Officer advises as to the procedures that are appropriate and required, and coordinates all interboard arbitration matters from receipt to final determination by order of the Interboard Arbitrators and C.A.R. Directors. This coordination involves contacts and correspondence with the complainant, the respondent, the appointed Mediator or Hearing Panel, and witnesses. Hearing arrangements and records are the Officer's responsibility on all related matters. The Officer has an exacting and detailed responsibility for each C.A.R. Interboard Arbitration matter.

b) Communications shall be directed to the C.A.R. Chief Executive Officer. The Chief Executive Officer shall render all necessary assistance to the parties, shall on application furnish required forms, shall receive and file all documents or other papers, and shall receive all fees and disburse all moneys payable to C.A.R. In no event, however, shall the Chief Executive Officer provide substantive advice or interpretation of these rules or other governing documents.

Section 9. Attempts to Influence Hearing Panel

a) Any attempt, directly or indirectly, to influence a member of a hearing Panel in any matter before it, other than by giving evidence and argument in an open hearing or by writing submitted to the entire Panel, is a breach of a duty of membership.

Section 10. Confidentiality of Proceedings

a) Confidentiality Obligations

The allegations and decisions in arbitration proceedings are confidential and should not be reported or published by C.A.R., any member of a Panel or any party under any circumstances except as authorized below.

All parties to an arbitration proceeding and any member of a Panel shall have an obligation to maintain and protect the confidentiality of the proceedings.

b) Acceptable Disclosure

The members of the Panel shall not discuss the proceedings and deliberations with any person(s) other than the other members of the Panel, or C.A.R. legal counsel, except as required by Section 15(j) of these Rules, the board of directors, the C.A.R. bylaws, or as may be required by law.

The parties shall not report or publish the allegations or decisions of an arbitration proceeding to anyone except as may be required by law. Any party to an arbitration proceeding is authorized to disclose the decision where there is a civil proceeding involving the same facts and circumstances which gave rise to the proceeding before C.A.R.

c) Enforcement

Actions inconsistent with this Section shall be a violation of a membership duty. However, failure of secrecy shall not invalidate any decision made by a hearing Panel.

Section 11. Right to Legal Counsel

a) Representation

Every party may be represented by legal counsel at any hearing.

Additionally, a broker may appoint a REALTOR® who is affiliated with the broker's firm to attend an arbitration hearing on his or her behalf when the broker is unable to personally attend. The Panel may have legal counsel present to advise it on issues of procedural law.

b) Notice of Intention to Have Representation

Notice must be given to the C.A.R. Chief Executive Officer, all parties and the Panel at least fifteen (15) calendar days before the hearing of intention to have legal counsel. In the event of failure to comply with this notice requirement, any party may request a continuance and the Panel may, at its discretion, take all necessary steps, including continuance of the matter on its own motion, to guarantee the rights of all parties to representation by legal counsel.

Section 12. Appointment of Hearing Panel Members

a) As often as requested by the C.A.R. Chief Executive Officer, the presidents of local Boards shall recommend members of their Board who are qualified to serve as Panel members and who are willing to serve a term of three years. From those recommended, the C.A.R. Chief Executive Officer shall appoint a pool of potential hearing Panel members to hear interboard arbitration cases.

Section 13. Hearing Panel Compensation

a) A Hearing Panel member shall serve without compensation but may receive travel expenses for meals and lodging incurred while engaged in the arbitration for each day of hearing or part thereof.

Section 14. Qualification for Hearing Panel

a) Business Limitation

Only one person connected with any firm, business, partnership or corporation may serve on the same Panel.

b) Automatic Disqualification

A person shall automatically be disqualified to be a member of a Panel in any case in which he or she is 1) a party; 2) related by blood or marriage (to the fourth degree) to a party; or 3) an employer, employee, partner or other business associate of a party.

c) Statement of Qualification

Before sitting on any case, each member of a Panel shall sign a statement (Form IBA-6, Certificate of Qualification) that he or she is not disqualified for any of the foregoing reasons and that he or she knows of no other reason that might prevent him from rendering an impartial decision.

d) Discussion Prior to Hearing

Every member of a Panel shall avoid, so far as possible, discussing the case with any person prior to the hearing. If he or she does engage in any such discussion prior to the hearing, he or she must disclose the fact to the parties and to the other members of a Panel as soon as practicable but no later than at the beginning of the hearing. Upon such disclosure, any party may challenge a member of a Panel and, if the Panel agrees, at the option of the Panel, that member of the Panel shall be dismissed, and a new Panel member shall be selected. A party waives any objection under this Section by failure to object prior to the commencement of the hearing.

e) Request for Disqualification

Any party may file with the C.A.R. Chief Executive Officer a written request for disqualification of a member of a Hearing Panel, stating the grounds assigned for disqualification (Form IBA-5, Reasons for Challenge). Any request for disqualification must be

for cause and the reasons must be set forth in writing. A party shall not have the right to request disqualification of a member of a hearing Panel solely on the basis of the panelist's race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. A party shall be deemed to have waived any ground of disqualification of which he or she then has knowledge unless he or she files the request within fifteen (15) calendar days after the prospective names are transmitted to the parties.

However, in addition to the disqualification procedure set forth in Section 15(j), any member of a Panel may be disqualified at any time if a majority of the members of the Panel find any automatic ground of disqualification to be present under this Section, or find any other facts which, in their judgment, may prevent the member from rendering an impartial decision or appear to do so.

f) Request for Nonmember on Hearing Panel

If a hearing Panel member fails or is unable to participate in a hearing, the remaining hearing Panel members may, at their option, but only with the express consent of the parties, proceed with the hearing. Only the remaining hearing Panel member may participate in the hearing and the determination thereof. Should any hearing Panel member absent himself or herself during the progress of the actual hearing, that individual shall likewise not participate in the deliberations or determinations thereof. If all the parties do not agree to proceeding without the full number of the hearing Panel originally designated, the presiding officer will recess the hearing to a date on which all hearing Panel members can be present. If the chairman cannot at that time designate a new date, notice of a subsequent date shall be served on all parties as herein provided.

Section 15. Manner of Invoking Arbitration and Submission

a) Arbitration Complaint

Any member desiring and entitled to interboard arbitration shall submit a completed and signed complaint with appropriate filing fees as established by C.A.R.

b) Submission of Dispute

Submission of a dispute to interboard arbitration by C.A.R. shall consist of signing and delivering to the C.A.R. Chief Executive Officer either a complaint (Form IBA-1, Arbitration Complaint) or response form (Form IBA-2, Arbitration Response) provided by C.A.R. or any other similar writing permitted by law. In order for a complaint to be considered filed with C.A.R., the complaint must be complete, signed by all complainants, include the appropriate filing fee, include a copy of a letter that has been sent to respondent demanding the money that is in dispute, and include a statement describing the controversy and the amount in dispute. The C.A.R. Chief Executive Officer may require the complainant to supply the necessary number of copies of the complaint.

c) Timing of Filing

A complaint meeting all filing requirements must be filed within one hundred eighty (180) calendar days after the closing of the transaction, if any, or after the facts constituting the arbitrable matter could have been known by the complainant in the exercise of reasonable diligence, whichever is later.

Notwithstanding the foregoing, if a complainant submits a dispute to state or federal court that would be subject to arbitration at the Association if filed timely, the respondent may ask the court to remove the complaint to the Association for arbitration and the Association must accept such complaint, without regard for the time limit, even if it is received later than one hundred eighty (180) days after the closing of the transaction, if any, or after the facts constituting the arbitrable matter could have been known by the complainant in the exercise of reasonable diligence.

Additionally, when a party utilizes the Association or C.A.R. ombudsman program (or an ethics mediation program), the filing deadline is suspended until the case is reported closed by the ombudsman or

the ethics mediator.

Directly before the hearing, both parties will be given the chance to argue before the hearing Panel as to whether the complaint was timely filed, and the hearing Panel will decide whether to proceed with the complaint or dismiss the complaint for not being timely filed.

d) Preliminary Review

The C.A.R. Chief Executive Officer shall determine preliminarily whether the dispute is properly subject to interboard arbitration.

e) Notice of Complaint and Availability for Hearing

The C.A.R. Chief Executive Officer shall notify the other party to the dispute by transmitting copies of the complaint and a response form for each respondent (Form IBA-2, Arbitration Response).

Additionally, all parties will receive a request to notify C.A.R. of any scheduling conflicts within a given timeframe (Form IBA-4, Availability for Hearing), with directions to return all documents (the written response and Availability form) within fifteen (15) calendar days from the date of transmitting. The C.A.R. Chief Executive Officer may require the respondent to supply the necessary number of copies of the response.

f) Response not Required; Late Filing

Pursuant to NAR policy, the Association may elect to charge the respondent a filing fee of up to five hundred dollars ($500). The respondent may submit a response but, regardless of whether he or she does so or not, he or she is bound to arbitrate according to the interboard arbitration rules. The arbitration hearing may be scheduled and conducted in the absence of the respondent.

g) Selecting the Proposed Arbitrators; Arbitrator Disclosure Statements

The C.A.R. Chief Executive Officer shall pre-screen the pool of potential hearing Panel members to identify those least likely to be disqualified, and from those not eliminated, choose a sufficient number to designate as proposed neutral arbitrators within the meaning of Part 3, Title 9, of the California Code of Civil Procedure, as provided in Section 14 of these Rules.

Within 10 calendar days of notification to the proposed neutral arbitrators, each shall deliver to C.A.R. a signed disclosure statement (Form IBA-21, Disclosure Statement). A proposed neutral arbitrator is automatically disqualified if he or she fails to return the disclosure statement.

h) Documents Sent to the Parties

Not later than twenty-one (21) calendar days after transmitting notice to respondent of complainant's request for arbitration, the C.A.R. Chief Executive Officer shall transmit to the complainant a copy of the response and respondent's affirmative claim, if any.

The C.A.R. Chief Executive Officer shall, at the same time, transmit a list of proposed neutral arbitrators from the appropriate geographic regions, along with their completed disclosure statements (Form IBA-21, Disclosure Statement), to both parties, with a 15-day deadline for challenge.

i) Waiver of Objection to Panel Member; Appointing Replacement to Challenged Panel Member

A party will be deemed to have waived all objection to any person whose name he or she does not challenge or disqualify, as provided in Sections 14 and 15. If a disqualification of proposed neutral arbitrators results in an insufficient number to constitute a Panel, the C.A.R. Chief Executive Officer may appoint other qualified C.A.R. members as proposed neutral arbitrators, who shall comply with the disclosure provisions set forth in Section 15(g).

j) Selecting the Hearing Panel

The C.A.R. Chief Executive Officer shall appoint three members from the remaining, non-disqualified pool of proposed neutral arbitrators to hear the dispute, within

the meaning of Part 3, Title 9, of the California Code of Civil Procedure, as provided in Section 14 of these Rules. A party's right to disqualify a proposed neutral arbitrator under this sub-section is waived if the party fails to deliver the notice of disqualification within the time limit specified.

k) Composition of Hearing Panel

A hearing Panel shall have an odd number of members - not less than three, except as provided in Section 14(f) of these rules. It shall be a local Board membership duty of anyone appointed in accordance with these Rules to serve as a hearing Panel member unless disqualified or unless a conflict exists that requires the Panel member to recuse him/herself.

l) Presiding Officer

The C.A.R. Chief Executive Officer shall select one of the Panel members to be the presiding officer.

m) Alternate Panel Member

The C.A.R. Chief Executive Officer may also appoint an alternate from the list of Panel members not disqualified to attend the hearing. The alternate will be allowed to observe (but not participate in) the hearing and shall not be an observant of or participant in the deliberation. However, should one of the Panel members be unable to serve on the Panel, the alternate may act in that Panel member's place and would participate fully as a member of the Panel. The alternate will have the same duties of confidentiality as the hearing Panel members.

n) Notice of Date, Time and Place of Hearing

The C.A.R. Chief Executive Officer shall inform the parties of the date, time, and place of the hearing established by the hearing Panel (Form IBA-6, Notice of Hearing). Each party shall be given at least twenty-one (21) calendar days' prior notice of the hearing, except for an adjourned or continued hearing, but appearance at the hearing waives the right to such notice. The hearing Panel may recess the hearing from time to time as necessary and, on request of a party or upon the Panel's own motion, may postpone the hearing for not less than fifteen (15) calendar days nor more than thirty (30) calendar days, unless otherwise agreed to by the parties.

Absent a compelling reason, the C.A.R. Chief Executive Officer may require that the hearing be conducted virtually using a virtual meeting platform such as Zoom or any other similar service.

o) Notification of Procedure

The C.A.R. Chief Executive Officer shall transmit to each party the proposed rules of procedure prior to the hearing (Form IBA-8, Outline of Procedure of Hearing).

Section 16. Responsible Broker as Complainant

a) If anyone other than a responsible broker files an arbitration complaint in a dispute involving that person's responsible broker, the responsible broker for that individual at the time of the dispute must also join as a complainant.

Section 17. Joinder of Multiple Parties or Complaints

a) Upon request of a party or on its own motion, the C.A.R. Chief Executive Officer or the hearing Panel may join together multiple complaints arising out of the same set of facts and circumstances or multiple parties involved in the same transaction to be heard at the same time.

Section 18. Duty to Give Evidence

a) When requested by subpoena in an arbitration hearing, or when summoned by the hearing Panel to do so, it shall be a local Board membership duty of every member to appear at the hearing, produce any records or data pertinent to the case and designated by the hearing Panel, and to testify truthfully.

Once evidence has been submitted at a hearing by a party, the party does not have the right to ask the other party or the hearing Panel to return or destroy that evidence.

Refusal of a party to appear at an arbitration hearing to submit himself or herself or his or her records to examination or to comply with a request of the hearing Panel for relevant information may be deemed an admission of the truth of the claim against him.

Section 19. Subpoenas

a) Availability of Subpoenas

A subpoena requires the attendance of witnesses or the production of books, records, documents and other evidence at an arbitration hearing only and not for pre-hearing discovery.

b) Issuing and Serving Subpoenas

Subpoenas shall be signed by the C.A.R. Chief Executive Officer but otherwise issued in blank to the party requesting them. The party serving the subpoena shall complete the subpoena before service and is responsible for proper service of the subpoenas.

c) Notice for Requiring Attendance at Hearing

Parties being served subpoenas by personal service must be given fifteen (15) calendar days' notice for appearance at a hearing. If service is by mail, five calendar days must be added. Subpoenas shall be enforced pursuant to California Code of Civil Procedure Section 1985 et. seq.

Section 20. Witnesses

a) Responsibility for Witnesses; Presence during Hearing

Every party must arrange to have his or her own witnesses present at the hearing, and the Panel may summon its own witnesses. All witnesses, except the parties to the hearing, will be excused from the hearing room except while testifying.

b) Witnesses Who May Be Present Throughout the Proceedings

Any person who is associated with a named party and who has a vested financial interest in the outcome of the matter shall have the right to be present and participate at the hearing and all subsequent proceedings regarding the matter before the Association. Such persons shall not be considered named parties to the matter.

c) Right to Demand Witness Lists

If the amount in controversy exceeds $50,000, California Code of Civil Procedure, Section 1282.2, provides that a party has the right to demand that the other party provide a list of witnesses it intends to call and documents it intends to produce at the hearing. This demand must be made within fifteen (15) calendar days of receipt of notice of hearing and must be in writing, served personally or by registered or certified mail. The demanding party must provide its own list at the time of the demand and must give a copy of its list to the hearing Panel.

Section 21. Continuances

a) Requests

Any party may request a continuance prior to or during a hearing. Continuance requests prior to a hearing must be in writing, for cause and include the appropriate continuance fee. Continuance requests received more than five business days prior to a hearing will be considered by the C.A.R. Chief Executive Officer. Otherwise, all continuance requests will be considered by the hearing Panel.

b) Continuance Fees

Each party shall be entitled to one continuance of a hearing without assessment of a continuance fee. However, if a continuance is requested because of failure to adequately notify C.A.R. and opposing party of representation by counsel, or because counsel is obtained to represent a party after the hearing date has been set but the counsel is unavailable on the date set for the hearing, the party responsible for the continuance may be assessed the continuance fee, not the party requesting the continuance.

If any party requests a second continuance or a continuance because of failure to adequately notify C.A.R. and opposing party of representation by counsel, it shall be in writing and accompanied by the fee. The C.A.R. Chief Executive Officer shall establish a schedule of continuance fees. If the continuance is not granted, the fee will be returned to the party requesting the continuance.

Section 22. Determination Without Hearing

a) Upon written request by both parties, the arbitration award may be rendered solely upon the written complaint and response unless a hearing is scheduled. The hearing Panel members may require that statements, or the accuracy or authenticity of any documents or other papers submitted, be verified by affidavit or declaration. A hearing will be scheduled if requested by any party.

Section 23. Transcript/Right to Record

a) Recording the Hearing

C.A.R. shall either have a court reporter present at the hearing or electronically record the proceedings. C.A.R.'s electronic recording or transcription shall be considered the official record of the proceeding. A party may, at their own expense have a court reporter present. A party may not record the proceedings unless C.A.R. chooses to only have a court reporter, in which case the party may record the proceedings. If a party has any transcript prepared, the party shall provide and pay for a copy for C.A.R.

b) Request for Copy of Recording

Any party to a hearing has the right to obtain a copy of C.A.R.'s official recording upon payment of C.A.R.'s fees for duplication. Any duplication will be conducted under supervision of C.A.R. Copies of any recording or any transcript prepared from a recording of the hearing are to be used only for the purpose of deliberations by the hearing Panel members or review of the arbitration award by the Directors. Any recording of an arbitration hearing shall be destroyed upon final action by the Directors.

Any unauthorized use of the recordings or transcripts may be construed as a violation of Article 14 of the N.A.R. Code of Ethics and these procedures.

Section 24. Interpreters and Translators

a) Selection

In the event a non-English speaking party in an arbitration case requires an interpreter, or in the event a party requires an interpreter for a witness, the party requesting the interpreter must bear the cost to provide a qualified interpreter that is certified or registered and in good standing with the Judicial Council of California. Only one neutral interpreter will be allowed in the hearing and will assist all parties with translation needs.

b) Cost

The party requesting the interpreter shall bear the cost to provide themselves with a qualified interpreter. In the event that both parties speak the same non-English language and require an interpreter or both call witnesses that speak the same non-English language and require an interpreter, the cost of the interpreter shall be split evenly between the parties. If the prevailing party in the arbitration makes a written request for the cost of the interpreter or translator to be reimbursed using Form IBA-10, the arbitration hearing panel may reimburse the party for those costs.

c) Notice

The party intending to utilize an interpreter shall notify the Association and all other parties at least ten (10) days prior to the date of the hearing, and in such notices shall indicate the name of the party or witness requiring an interpreter and the language which will be used by the non-English speaking party/witness, as well as any dialect of such language, if applicable. Before the hearing begins, all parties will need to sign a "hold harmless" waiver stating that the Association will not be held liable for any actions or omissions of the interpreter.

d) Written Translations

In the event any party intends to present a written document at a hearing that is in a language other than English, a translation by a qualified independent translator shall be presented along with the document at least ten (10) days prior to the date of the hearing. The party must provide proof that the document was translated by a translator who is certified or registered and in good standing with the Judicial Council of California.

Section 25. Arbitration Hearing

a) Acknowledgement of Receipt of Outline of Procedure At the beginning of the hearing, each party shall sign a statement to the effect that he or she has received and read the proposed rules of procedure and either that he or she understands them and has no objection or questions concerning them or else specifies what objections or questions he or she has and what changes he or she desires (Form IBA-9, Acknowledgment of Receipt of Outline of Procedure). The Panel shall act upon any such objection or request as it deems proper.

b) Conducting the Arbitration Hearing

The parties to the dispute shall with diligence present to the hearing Panel in writing such statements and proofs as it desires. Proofs may be submitted in the form of affidavits or otherwise. The Presiding Officer of the hearing Panel may require that statements be verified by affidavit or that the accuracy or authenticity of any documents or other papers submitted be verified by affidavit. The hearing Panel shall receive oral testimony if any party to the arbitration requests, or if in the Presiding Officer's opinion, it is necessary or desirable. The Presiding Officer may determine what personal appearances should be made by the parties and regulate the holding of hearings. The Panel may receive and consider any evidence it deems material and proper, including evidence from accountants and other experts, the expenses of such witnesses to be charged to the loser or charged to the parties in such ratio as determined by the Panel members.

c) Failure of Respondent to Appear at the Hearing The hearing Panel may hear and determine the controversy upon the evidence produced at the hearing notwithstanding the failure of a party, who has been duly notified, to appear. If only one party appears at the hearing, he or she may rest upon the evidence of the statement submitted with his or her application for arbitration or response thereto unless the Panel requires more. The Panel may not find in favor of a complainant solely by reason of respondent's failure to appear but may find against a complainant for his or her failure to appear.

d) Presentation of Evidence at the Hearing

At any hearing, every party has the right to present any witnesses, to submit any evidence pertinent to the case and to cross-examine witnesses of others. Witnesses giving oral testimony shall be sworn by the presiding officer. Before permitting testimony relating to the character or general reputation of anyone, the Presiding Officer shall determine if the testimony has a direct bearing on the case at issue. If a party wishes to present visual, audio, or video evidence at the hearing, it is that party's responsibility to provide the equipment necessary to display or play the evidence for the hearing Panel.

Section 26. Costs of Arbitration

a) Prevailing Party's Costs; Attorneys' Fees; Statement of Costs

The award may include costs of the prevailing party including an amount equal to the arbitration fee, witness fees, service of subpoenas and interest at the rate provided by law, unless another rate is specified by the award, and the award shall designate the date from which interest is to be computed (Form IBA-10, Requested Arbitration Costs). Where the dispute arises out of a contract which provides for attorneys' fees, the award may include attorneys' fees.

Each party shall complete a statement of costs prior to the hearing and present it to the Panel for consideration should he or she prevail.

b) Costs of Continuance

If a continuance of a hearing has been caused by an untimely request by a party to be represented by counsel as set forth in Section 11 of these rules or for other reasons, such costs occasioned by the continuance may be awarded against the party making the request, even though he or she may be the prevailing party.

Section 27. Encouraging Settlement

a) Parties are encouraged to settle the dispute at any time. At the outset of the hearing, the hearing panel chair should inform the parties that settlement is an option. At any time during the hearing, the parties can ask for a recess in an attempt to reach a settlement agreement. The parties should be advised that the arbitration will continue to be processed until the arbitration complaint is formally withdrawn by the complainant.

Section 28. The Award

a) Making and Reporting the Decision

The arbitration award (Form IBA-12, Award of Arbitrators) shall be made as soon as practicable after the evidence is presented, but in no event later than forty-eight (48) hours following the conclusion of the hearing. The arbitration award shall forthwith be transmitted to the C.A.R. Chief Executive Officer for transmission of a copy to the parties. The award shall be in writing and signed by the hearing Panel members or a majority of them. The arbitration award shall be transmitted to the parties within five days after the award is reduced to writing.

b) When the Award is Final and Binding

If there is no request for a review by the Directors, the award shall be final and binding after the period to request a review has lapsed. If there is a request for review, the award shall be final and binding on the date of the Directors' action if the Directors ratify the award. Once the award is final and binding, it shall not be subject to review or appeal through C.A.R. or any local Board, except as required in Part 3, Title 9 of the California Code of Civil Procedure.

c) Correction of the Award

Notwithstanding anything in this Section to the contrary, the hearing Panel may, upon a written request by a party or on its own motion, correct the award based on the grounds stated in subsections (a) and (c) of California Code of Civil Procedure Section 1286.6 within thirty (30) calendar days after the award has been sent to the parties. In the event the hearing Panel makes such a correction, the C.A.R. Chief Executive Officer shall transmit the corrected award to all parties.

Section 29. Review of Arbitration by the Directors

a) Filing the Request for Review

Within twenty (20) calendar days after the hearing tribunal's decision has been sent to the parties, either the complainant or respondent may file a request in writing for a review by the Directors as defined in Section 1(e) (using Form IBA-15 Request for Review) based on alleged procedural deficiencies that the party believes may constitute a deprivation of due process. The C.A.R. Chief Executive Officer may require the complainant to supply the necessary number of copies of the request for review.

C.A.R. will consider a request for review filed if it is complete and signed by all parties requesting the review, and it includes the appropriate filing fee and a statement indicating the alleged procedural deficiencies that the party believes may constitute a deprivation of due process, and is received by C.A.R. no later than the filing deadline.

b) Basis for Review

The only basis for a review is a lack of procedural due process. Only the issues raised by the party requesting review in the written request for review may be raised in any hearing before the Directors.

c) Preliminary Review

Within ten (10) days of receipt of the request for review, the request must be reviewed by the C.A.R. Chief Executive Officer to determine whether the request complies with the filing requirements of this Section. If the C.A.R. Chief Executive Officer determines that the review fails to meet the filing requirements, the request shall be returned to the party and the party shall be given ten (10) calendar days to amend the request to comply with the appropriate requirements. Any preliminary decision by the C.A.R. Chief Executive Officer is not a decision on the merits of the request but is to insure that the request complies with the filing requirements of this Section.

d) Selection and Disqualification of the Directors

When conducting a review, the Directors are subject to automatic disqualification under the grounds set out in Section 14 of these Rules. Each director must sign a statement (Form IBA-7, Certificate of Qualification) that he or she is not disqualified for any of the above reasons, and that he or she knows of no other reason that might prevent him from rendering an impartial decision.

e) Notice of Directors Review

If a request for review is filed, the C.A.R. Chief Executive Officer shall immediately send a copy to the other party (Form IBA-15, Request for Review) and notify him or her that he or she may file a written reply (Form IBA-16, Notice of Request for Review) within fifteen (15) calendar days. The C.A.R. Chief Executive Officer may require the party submitting the reply to provide the necessary number of copies of the reply. The C.A.R. Chief Executive Officer shall, at this time, transmit a list of the names of the Directors to both parties.

f) Notice of Review Hearing and Documents Provided to the Directors

Not later than twenty-one (21) calendar days from the date of transmitting the request for review to the other party, the executive officer shall notify all parties of the time and place of the hearing, the Directors chosen according to the procedures of Section 14 of these Rules and bring the matter before the Directors for hearing. The C.A.R. Chief Executive Officer shall provide to the Directors, in advance of the hearing, copies of the request for review, response to that request and the award.

g) Conducting the Directors Review Hearing

The review hearing is not recorded.

At the hearing before the Directors, the party requesting review shall present to the Directors his or her reasons why the award should not be upheld and the other party may be heard to state his or her reasons why the award should be upheld. The presiding officer of the hearing panel or his or her designee may respond to the allegations and answer any questions the Directors may have relating to the allegations of the party requesting review.

The recording of the arbitration hearing should be played only to prove or disprove the procedural deficiencies asserted by the party requesting review and only the pertinent portions shall be played. The playing of the recording is not intended to substitute for a transcript of the case, and if a transcript does exist, then the pertinent portions of it should be read instead of playing the recording.

No evidence relating to the merits of the underlying case shall be received and the Directors shall not consider the substantive merits of the case.

h) Action of the Directors

The Directors shall render their decision promptly. Their decision may be to 1) adopt the recommendation of the hearing Panel, or 2) to remand the case for a new hearing before a new hearing Panel.

i) Disposition of the Filing Fee

If the Award of the hearing Panel is adopted, the filing fee of the party requesting the review shall pass into the general treasury of C.A.R. If a new hearing is ordered, the entire filing fee shall be returned to the party who paid it.

j) Finality of Directors' Decision

The decision of the Directors shall be final. Further, failure of the Association to abide by the timing requirements of these Rules shall not invalidate the decision of the hearing Panel.

k) Role of C.A.R.

C.A.R. does not review and cannot overturn any decision of any review Panel of Directors pursuant to Section 71.

Section 30. Enforcement

a) Judicial Confirmation; Costs and Fees

The judgment of any competent court of record in California may be rendered upon the award. In the event it is necessary for any party to the arbitration to obtain judicial confirmation and enforcement of the arbitration award against any other party, the party failing to abide by the arbitration award shall pay to the party obtaining such confirmation the costs and reasonable attorneys' fees incurred in such actions as determined by the court.

The award is final as set forth in Section 28 (b). Any payment plan or discipline to membership imposed by the Association pursuant to a "show cause" hearing is for the violation of the membership duty to abide by the arbitration award and is not be a modification of the award. The prevailing parties retain the right to judicial confirmation of the entire final award in addition to the membership suspension process set forth in this section. Sanctions and payments to avoid sanctions are independent of, and run concurrently with, the prevailing parties' rights to judicially enforce the award. Any such payment plan to avoid suspension, including the decision not to suspend the member, is not a modification of the award.

b) "Show Cause" Hearing

If the non-prevailing party in an arbitration has not paid the arbitration award to the prevailing party within fifteen (15) days after the deadline set forth in the Award of Arbitrators, the prevailing party may file a request with the Association that the non- prevailing party "show cause" before a panel of three (3) C.A.R. Directors as to why he or she refuses to abide by the arbitration award. If a party requests a procedural review, the request for a "show cause" hearing may not be filed until at least fifteen (15) days after the payment of the award is due following the procedural review. The non-prevailing party shall be advised of the date, time, and place, of the "show cause" hearing and shall have an opportunity to explain why the arbitration award was not paid to the prevailing party. The sole purpose of the "show cause" hearing is to determine why the non-prevailing party failed to timely pay the arbitration award. If the non-prevailing party pays the full award amount, including any accrued interest, to the prevailing party at any time prior to the "show cause" hearing, the "show cause" hearing will be dismissed, and the case will be considered closed.

c) Conducting the "Show Cause" Hearing

Both parties may attend the "show cause" hearing and may call witnesses, present evidence, and represented by legal counsel. The procedures for the "show cause" hearing shall be the same as those used for a review hearing. To the extent any review hearing procedures are applicable only to a review hearing, such procedures shall not be applicable to a "show cause" hearing.

d) **Action of the Directors after "Show Cause" Hearing**

The C.A.R. Directors shall render their decision promptly after the "show cause" hearing (Form IBA-28). Their decision may be to: 1) take no action; 2) impose suspension of the non-prevailing party's Association and/or MLS membership for thirty (30) days or until the arbitration award plus interest is paid to the prevailing party, whichever is longer; or 3) set forth a schedule for the payment of the arbitration award plus interest to the prevailing

party. Interest begins to accrue on the arbitration award starting from the due date of the award, at the statutory interest rate of ten percent (10%) per annum.

e) Failure to Make a Payment Pursuant to a Payment Plan

The prevailing party may notify the Association of any non-payment or partial payment by the non-prevailing party pursuant to any payment plan imposed by the Directors, and the association will send the non-prevailing party notice to provide evidence of the full amount of the payment within five days. If the non-prevailing party doesn't provide evidence of the full amount of the payment by the deadline, the non-prevailing party's Board and/or MLS membership will be suspended until the full payment is made. The prevailing party is not precluded from pursuing a court confirmation of the award notwithstanding the payment plan.

f) **Requirements for Enforcement of Suspension**

Any suspension of membership imposed by the Directors following a "show cause" hearing shall not be enforced until: 1) the arbitration award is confirmed or modified by a court, but only if the award is not paid by the date ordered by the court (or within fifteen (15) days after the date the court order is made if the court order does not provide a due date); or 2) if no court action is filed, one hundred one (101) days after the award is finalized.

g) Publication

A member who has been suspended for failure to timely pay an arbitration award will have his or her name and photo published in accordance with C.A.R.'s publication policy.