

# JACKSON MULTIPLE LISTING SERVICE, INC.

## RULES AND REGULATIONS

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# **RULES AND REGULATIONS OF THE JACKSON MULTIPLE LISTING SERVICE, INC.**

## **ADOPTION**

Section A. The following Rules and Regulations of the Jackson Multiple Listing Service, Inc., hereinafter referred to as "MLS", are applicable to Participants and are adopted by reference in the MLS Bylaws. Any reference to "JAAR" means the JACKSON AREA ASSOCIATION OF REALTORS.

## **MEMBERSHIP RESPONSIBILITY**

Section B. All Participants and their licensees shall subscribe to the MLS Articles of Incorporation, Bylaws and Rules and Regulations of MLS and the Multiple Listing Policy of the NATIONAL ASSOCIATION OF REALTORS, and agree to be governed thereby. Failure on the part of any Member Firm Participant or its licensees to receive a copy of any of the above-mentioned Bylaws, Rules and Regulations and Multiple Listing Policy shall not relieve anyone of the responsibility for any violation thereof.

Section B-1. The Member Firm Participant shall be deemed responsible for any of its licensees, violations as recited in Section "B" above.

## **COMPLIANCE WITH RULES---AUTHORITY TO IMPOSE DISCIPLINE**

Section C. By becoming and remaining a participant or subscriber in this MLS, 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. Discipline that may be imposed may only consist of one or more of the following:

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000
- e. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- f. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years. (Adopted 11/07)

Note: A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or users/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance. (Revised 05/14)

Section C-1. Notwithstanding the limitations established in the National Association of REALTORS<sup>®</sup> *Code of Ethics and Arbitration Manual* or in other National Association policy, multiple listing services operated as committees of associations of REALTORS<sup>®</sup> or as separate, wholly-owned subsidiaries of one or more associations of REALTORS<sup>®</sup> are authorized to impose financial penalties on participants or subscribers as discipline for violations of MLS rules or other MLS governance provisions not greater than fifteen thousand (\$15,000) dollars.  
(Adopted 11/07)

## **DISTRIBUTION OF GOVERNING DOCUMENTS**

Section D. The Bylaws and Rules and Regulations of MLS and the Multiple Listing Policy and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS shall be published and made available to Participants in such a manner as established by the MLS Board of Directors.

## **CONFIDENTIALITY AND ACCURACY OF MLS INFORMATION**

Section E. CONFIDENTIALITY OF MLS INFORMATION: Any information provided by the MLS to the Participants shall be considered official information of the Service. Such information shall be considered confidential and exclusively for the use of the Participants and real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

Section E-1. MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION: The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

Section E-2. ACCESS TO COMPARABLE AND STATISTICAL INFORMATION: Association Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.

Section E-3. \*MLS COMPILATION OWNERSHIP, PHOTOGRAPHS, COPYRIGHT AND INDEMNIFICATION: By the act of submission of any property listing content to the MLS the Participant represents that he/she has been authorized to license and also thereby does license authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

(i) TRUTH IN PUBLISHING. Participant is solely responsible for any legal liability arising

materials (herein "Photographs") so long as MLS has not modified the Photographs in any way. Participant represents and warrants that it holds the necessary rights to permit the use of the Photographs for this purpose that the use, reproduction, distribution, or transmission of the Photographs will not violate any criminal laws or any rights of any third parties, including, but not limited to, such violations as infringement or misappropriation of any copyright, patent, trademark, image, or other proprietary or property right, false advertising, defamation, invasion of privacy rights or rights of celebrity, violation of any anti-discrimination law or regulation, or any other right of any person or entity.

(ii) INDEMNIFICATION. Participant agrees to indemnify and hold harmless MLS from all liability, loss, damages, claims, or causes of action, including reasonable legal fees and expenses that may be incurred, arising out of or related to the breach of any of the foregoing representations and warranties.

Section E-4. COPYRIGHTS: All right, title and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Jackson Area Association of REALTORS, and in the copyrights therein, shall at all times remain vested in the Jackson Area Association of REALTORS.

Section E-5. LEASE OF MLS COMPILATIONS: Each Participant shall be entitled to lease from the Jackson Area Association of REALTORS a number of copies of each MLS Compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such compilation. The Participant shall pay, for each such copy, the rental fee set by the Association.\*\*

Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these Rules.

\*The term "MLS compilation", as used in Section D herein, shall be construed to include any format in which property listing data is collected and disseminated to the Participants, including, but not limited to, bound book, loose-leaf binder, computer database, card file, or any other format whatever.

\*\*This Section should not be construed to require the Participant to lease a copy of the MLS compilation for any licensee (or licensed or certified appraiser) affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing, selling, or appraising the types of properties which are required to be filed with the MLS, and who does not, at any time, have access to or use of the MLS information or MLS facility of the Association.

Section E-6. DISTRIBUTION: Participants shall at all times maintain control over and responsibility for each copy of any MLS compilation leased to them by the Association of REALTORS, and shall not distribute any such copies to persons other than subscribers who are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by an Association Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation" or "Membership" or any right of access to information developed by or published by an Association Multiple Listing

Section E-7. DISPLAY: Participants and those persons affiliated, as licensees with such Participants shall be permitted to display the MLS compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation.

Section E-8. REPRODUCTIONS: Participants or their affiliated licensees shall not reproduce any MLS Compilation or any portion thereof, except in the following limited circumstances: participants or their affiliated licensees may reproduce from the MLS compilation, and distribute to prospective purchasers, a reasonable\* number of single copies of property listing data contained in the MLS compilation which relate to any properties in which prospective purchasers are or may, in the judgment of the Participant or their affiliated licensees, be interested.

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser has expressed interest, or in which the Participant or the affiliated licensees are seeking to promote interest, does not appear on such reproduction.

Nothing contained herein shall be construed to preclude any Participant from utilizing, displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed for sale with the Participant.

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participant and those licensees affiliated with the Participant who are authorized to have access to such information. Such information may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm.

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparable, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations. (Amended 05/14)

\*It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable", as used herein should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the MLS compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal

## LISTING PROCEDURES

**SECTION 1:** All exclusive right to sell and exclusive agency listings of real or personal property, which are listed subject to a real estate broker's license, and are located within the territorial jurisdiction of the Multiple Listing Service and are taken by Participants on an exclusive right to sell or exclusive agency listing form, and shall be input into the system within seventy-two (72) hours after all necessary signatures of seller(s) have been obtained, with the exception of weekends, holidays and postal holidays. All listings should be removed from the MLS database after having reached the \$300 maximum sanction for not completing the required fields. A letter is to be sent to the Participant explaining the recent action taken of removing the listing from the MLS database.

**NOTE:** The Multiple Listing Service shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize provided the listing is of a type accepted by the Multiple Listing Service. However, the Multiple Listing Service, through its counsel:

1. May reserve the right to refuse to accept a listing form, which fails to adequately protect the interest of the public and the Participants.
2. Assure that no listing form filed with the Multiple Listing Service establishes, directly or indirectly, any contractual relationship between the Multiple Listing Service and the client (buyer or seller).

The Multiple Listing Service shall accept exclusive right to sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer compensation to the other Participants of the Multiple Listing Service acting as subagents, buyer agents or both.

The listing agreement must include the seller's written authorization to submit the agreement to the Multiple Listing Service.

The different types of listing agreements include:

- |                             |          |
|-----------------------------|----------|
| (a) exclusive right to sell | (c) open |
| (b) exclusive agency        | (d) net  |

The Service may not accept net listings because they are deemed unethical and, in most states, illegal, Open listings are not accepted except where required by law because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

The exclusive right to sell listing is the conventional form of listing submitted to the Multiple Listing Service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right to sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect

**Section 1.1 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE:**

Any listing agreement taken by a Member Firm Participant to be processed by MLS is subject to the MLS Rules and Regulations immediately upon the signatures of the seller(s) being obtained.

**Section 1.1.1 MLS LISTING COMPLAINT ENFORCEMENT:**

In conjunction with investigation of MLS complaints, enforcement of all MLS or JAAR bylaws, procedures, policies, rules and regulations, or as otherwise required by the JMLS in the performance of its functions, each Participant shall provide JMLS within 72 hours of request, the following:

Complete copies of any requested listing contract, change form, profile or input sheets, or related listing documents for all types of listings.

This requirement includes listing contracts when the Seller requests that Participant not place the listing in the MLS.

**Section 1.2 DETAIL ON LISTINGS FILED WITH THE SERVICE:** A listing Agreement or Property Data Form, when filed with the MLS by the listing broker, shall be complete in every detail which is ascertainable as specified on the Property Data Form.

**Section 1.2.1 LIMITED SERVICE LISTINGS:**

Listing agreements under which the listing broker will not provide one, or more, of the following services:

- (a) arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s);
- (b) accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);
- (c) advise the seller(s) as to the merits of offers to purchase;
- (d) assist the seller(s) in developing, communicating, or presenting counter-offers;
- (e) or participate on the seller's(s') behalf in negotiations leading to the sale of the listed property

will be identified with an appropriate code or symbol (e.g. "LR" or "LS") in MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initialing efforts to show or sell the property.

**Section 1.2.2 MLS ENTRY-ONLY LISTINGS:**

Listing agreements under which the listing broker will not provide any of the following services:

- (a) arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s);
- (b) accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);
- (c) advise the seller(s) as to the merits of offers to purchase;
- (d) assist the seller(s) in developing, communicating, or presenting counter-offers;
- (f) or participate on the seller's(s') behalf in negotiations leading to the sale of the listed property

will be identified with an appropriate code or symbol (e.g. "EO") in MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initialing efforts to show or sell the property.

Section 1.3 EXEMPTED LISTINGS: If the seller refuses to permit the property to be filed through the MLS, the Member Firm Participant may then take the listing ("office exclusive") on a form other than one provided by the MLS and such listing shall be filed with the MLS office within seventy-two (72) hours after all necessary signatures of the seller(s) have been secured, however, it shall not be disseminated by the MLS. Filing of such an "office exclusive" listing with the MLS shall be accompanied by a certification signed by the seller that he/she does not desire the listing information to be broadcast to other Participants.

Section 1.4 CHANGE OF STATUS OF LISTING: Any change in listed price or other changes in original listing agreement shall be made only when authorized in writing by the owner and listing broker, and shall be filed with the MLS within forty-eight (48) hours (excepting weekends, holidays, and postal holidays) after said authorized change is received by the listing broker.

Section 1.5 WITHDRAWAL/ CANCELLATIONS OF LISTINGS PRIOR TO EXPIRATION: Listed property may be withdrawn or cancelled from the MLS by the listing broker before the expiration date of the listing agreement provided written notice is filed with the MLS office, within forty-eight (48) hours, including a copy of the agreement between the owner and Member Firm Participant which authorizes withdrawal or cancellation.

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the Multiple Listing Service may remove the listing at the request of the seller.

Section 1.6 REMOVAL OF LISTINGS WHEN PARTICIPANT REFUSES/FAILS TO TIMELY REPORT STATUS CHANGES: Notwithstanding the limitations established in the *Code of Ethics and Arbitration Manual* or in other National Association policy, multiple listing services operated as committees of associations of REALTORS® or as separate, wholly-owned subsidiaries of one or more associations of REALTORS® are authorized to remove any listing from the MLS compilation of current listings where the participant has refused or failed to timely report status changes. Prior to the removal of any listing from the MLS, the participant shall be advised of the intended removal so the participant can advise his or her client(s).  
(Adopted 11/07)

Section 1.7 CONTINGENCIES APPLICABLE TO LISTINGS: Any contingency in a listing shall be explicitly noted in the listing agreement and processed to the membership accordingly. (Refer to Note 2, Section 2.7)

Section 1.8 LISTING PRICE SPECIFIED: The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings unless the property is subject to auction. The MLS shall not accept net listings or open listings.

Section 1.9 LISTING MULTIPLE UNIT PROPERTIES: All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the Profile Sheet. When part of a listed property has been sold, proper notification should be given to the



Section 1.10 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS: The Multiple Listing Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Multiple Listing Service shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-participants.

Section 1.11 EXPIRATION OF LISTINGS: Listings files with the Multiple Listing Service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement unless prior to that date the MLS receives notice that the listing has been extended or renewed.

If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the Service.

Section 1.12 TERMINATION DATE ON LISTING: Listings filed with the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller.

Section 1.13 JURISDICTION: Only listings of the designated types of property located within the jurisdiction of the MLS are required to be submitted to the Service. Listings of property located outside the MLS's jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service.

Section 1.14 LISTINGS OF SUSPENDED PARTICIPANTS: When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the Service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Association (except where MLS participation without Association Membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of the current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise his/her clients.

Section 1.15 LISTINGS OF EXPELLED PARTICIPANTS: When a Participant of the Service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the code of ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in the Service until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Association (except where MLS participation without Association Membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association MLS is not obligated to provide MLS services, including

information. Prior to any removal of an expelled Participant's listing(s) from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may advise his/her clients.

Section 1.16 LISTINGS OF RESIGNED PARTICIPANTS: When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listing(s) from the MLS, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his/her clients.

Section 1.17 REAL ESTATE TRANSACTION STANDARDS (RETS): The integrity of data is a foundation to the orderly real estate market. The Real Estate Transaction Standards (RETS) provide a vendor neutral, secure approach to exchanging listing information between the broker and the MLS. In order to ensure that the goal of maintaining an orderly marketplace is maintained, and to further establish REALTOR® information as the trusted data source, MLS organizations owned and operated by associations of REALTORS® will comply with the RETS standards by June 2009, and keep current with the standard's new versions by implementing new releases of RETS within one (1) year from ratification. *(Adopted 11/07)*

## **SELLING PROCEDURES**

Section 2. SHOWINGS AND NEGOTIATIONS: All appointments for showings and all negotiations with the seller for the purchase of listed property filed with the MLS shall be conducted through the listing broker except under the following circumstances:

- (a) The listing broker gives the cooperating broker specific authority to show and/or negotiate directly or
- (b) After reasonable effort, the cooperating broker cannot contact the listing broker or his representative. However, the listing broker, at his option, may preclude such direct negotiations by cooperating broker.

Section 2.1 PRESENTATION OF OFFERS: The listing broker must make arrangements immediately to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

Section 2.2 SUBMISSION OF WRITTEN OFFERS: The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller(s) obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Section 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER: The cooperating broker or his representative shall have the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. The cooperating broker does not have the right to be present at any subsequent discussion or evaluation of that offer by the seller(s) or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the

**Section 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFERS:**

The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except where the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

**Section 2.5 REPORTING SALES TO THE SERVICE:** Status changes, including final closing of sales, shall be reported to the multiple listing service by the listing broker within 48 hours after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report accepted offers to the listing broker within 48 hours after occurrence and the listing broker shall report them in the MLS within 48 hours after receiving notice from the cooperating broker. *(Amended 11/08)*

**NOTE 1:** The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its Participants. (Amended 11/01)

**NOTE 2:** Rules on Contingent, Pending and Sold Status Listings:

- |                     |   |
|---------------------|---|
| Contingent Status - | A listing is to be reported in the MLS system "contingent" within 48 hours after the seller(s) has accepted a purchase agreement. However, in the event the offer is contingent upon the happening of an event the listing must have this explanation noted on the "Contingent Notes Line". |
| Pending Status -    | A listing is to be reported in the MLS system as "pending" within 48 hours after the seller(s) has accepted a purchase agreement without contingencies.   |
| Sold Status -       | A listing is to be reported in the MLS system as "sold" within 48 hours after the closing of the sale.  |

**Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES:** The listing broker shall report to the Multiple Listing Service within forty-eight (48) hours that a contingency on file with the Multiple Listing Service has been fulfilled or renewed, or the agreement is cancelled.

**Section 2.7 ADVERTISING OF LISTING FILED WITH THE SERVICE:** A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker.

**Section 2.8 REPORTING CANCELLATION OF PENDING SALE:** The listing broker shall report within forty-eight (48) hours to the MLS Office any sale which has been cancelled or falls through, and the listing, if unexpired, is to be reinstated in MLS immediately.

## REFUSAL TO SELL

Section 3. REFUSAL TO SELL: If the seller of any listed property filed with the MLS refuses to accept a written and executed offer satisfying the price, terms and conditions stated in the listing contract, such information shall be transmitted to the MLS office regarding status of the listing which, in turn shall immediately be transmitted to all Participants.

## PROHIBITIONS

Section 4. INFORMATION FOR PARTICIPANTS ONLY: Any listing filed with MLS shall not be made available to Non-Participants of MLS without the express consent in writing from the listing broker.

Section 4.1 "FOR SALE" SIGNS: Only the "For Sale" signs of the listing broker may be placed on a property.

Section 4.2 "SOLD" SIGNS: Prior to closing, only the "Sold" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.3 SOLICITATION OF LISTING FILED WITH THE SERVICE: Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the REALTORS' Code of Ethics, its Standards of Practice and its Case Interpretations.

**NOTE 1:** This Section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-2. This section is intended to encourage sellers to permit their properties to be filed with the Service by protecting them from being solicited, prior to expiration of listing, by brokers and salespersons seeking the listing upon its expiration.

Without such protection a seller could receive hundreds of calls, communications, and visits from brokers and salespersons who have been made aware through MLS filing of the date the listing will expire and desire to substitute themselves for the present broker.

This Section is also intended to encourage brokers to participate in the Service by assuring them that other Participants will not attempt to persuade the seller to breach the listing agreement or to interfere with their attempts to market the property. Absent the protection afforded by this Section, listing brokers would be most reluctant to generally disclose the identity of the seller or the availability of the property to other brokers.

This section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics.

## DIVISION OF COMMISSIONS

Section 5. COMPENSATION SPECIFIED ON EACH LISTING: The listing broker shall specify, on each listing filed with the Multiple Listing Service, the compensation offered to other Multiple Listing Service Participants for their services as subagents in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the

provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid. (Amended 11/98)

In filing a property with the multiple listing service of an association of REALTORS<sup>®</sup>, the participant of the service is making blanket unilateral offers of compensation to the other MLS participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other MLS participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.\* (Amended 11/96)

\*The compensation specified on listings filed with the multiple listing service shall appear in one of two forms. The essential and appropriate requirement by an association multiple listing service is that the information to be published shall clearly inform the participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of submitting an offer to purchase. The compensation specified on listings published by the MLS shall be shown in one of the following forms:

1. by showing a percentage of the gross selling price
2. by showing a definite dollar amount (Amended 11/95)

**Note:** MLSs may also, as a matter of local discretion, allow participants to offer cooperative compensation as a percentage of the net sales price, with the net sales price defined as the gross sales price minus buyer upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law or regulation). (Adopted 5/08)

The listing broker retains the right to determine the amount of compensation offered to other participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different. (Amended 11/96)

This shall not preclude the listing broker from offering any MLS participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing broker informs the other broker, in writing, in advance of submitting an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other participants in the service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar

- Note 1:** The association multiple listing service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the association multiple listing service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a participant. The association multiple listing service shall not disclose in any way the total commission negotiated between the seller and the listing broker.
- Note 2:** The listing broker may, from time to time, adjust the compensation offered to other multiple listing service participants for their services with respect to any listing by advance published notice to the service so that all participants will be advised. (Amended 4/92)
- Note 3:** The multiple listing service shall make no rule on the division of commissions between participants and nonparticipants. This should remain solely the responsibility of the listing broker.
- Note 4:** Multiple listing services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval, and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction. (Amended 5/08)
- Note 5:** Nothing in these MLS rules precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction. (Adopted 11/05)
- Note 6:** Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale, and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they may, as a matter of local discretion, also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to short sales, if allowed by local rules, must be communicated through dedicated fields or confidential "remarks" available only to participants and subscribers. (Amended 5/09)

Section 5.1 PARTICIPANT AS PRINCIPAL: If a participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any interest in property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose that interest when the listing is filed with the Multiple Listing Service and such information shall be disseminated to all Multiple Listing Service Participants.

Section 5.2 PARTICIPANT AS PURCHASER: If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed in writing to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

Section 5.3 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS: The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without the assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code or symbol

as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

Section 5.4 SHORT SALE DISCLOSURE: Participants must disclose potential short sales when reasonably known to the listing participants. When disclosed, participants may, at their discretion, advise other participants whether and how any reduction in the gross commission established in the listing agreement, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating participants.

### **LIMITATIONS ON USE OF MLS INFORMATION**

Section 6 – LIMITATIONS ON USE OF MLS INFORMATION: Use of information from MLS compilation of current listing information, from the Board's statistical report, or from any sold or comparable report of the Board of MLS for public mass-media advertising by an MLS Participant or in other public representations, may not be prohibited.

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the Board or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

Based on information from the Jackson Multiple Listing Service, Inc. for the period (date) through (date).

Section 7 – WAIVER POLICY: Upon approval, a REALTOR® Participant of any Broker's office shall not pay MLS user fees for any individual salesperson employed by or affiliated as an independent contractor for any of the following reasons:

- a) medical conditions limiting the salesperson from listing, showing and selling real estate
- b) has membership in another Board, Association or MLS and does not use the JMLS listing service
- c) works as a non-salesperson such as clerical/secretary for the Participant, without access to, nor uses the JMLS.

Neither the REALTOR® Participant nor any vacation time of an individual agent will qualify for the waiver.

Application: At least 15 days prior to the end of each calendar year, or upon subsequent qualification of an individual agent, the Designated REALTOR® (DR) shall submit an application on a form prescribed by the JMLS, setting forth the individual(s) qualifying for an MLS waiver.

Upon approval by the JMLS Board of Directors, the waiver is immediately effective for each approved individual for the ensuing year or balance of the current year. If any individual with a waiver utilizes the JMLS, directly, indirectly, through another broker, agent, or firm, purposely omits to take action or uses any method to circumvent this policy, the Board of Directors shall revoke the waiver, effective retroactive to the date of utilization or policy violation for such agent. Waiver Requests: Requests for medical reasons are required to include written proof of the medical reasons from the treating doctor. If the medical reason pertains to an immediate family member (spouse, parent, or child), JMLS will accept a letter from the Designated REALTOR®, individual agent, or treating doctor. For members of another MLS provider, the MLS provider representative shall confirm the qualifying individuals on the signature line of the application, which may also be issued by the treating physician, or either may submit a separate letter. Written confirmation is not necessary for clerical/secretary requests.

Sanctions: If JMLS is not notified of the reinstatement of any individual user, or there is a violation of this policy, the JMLS Board of Directors, shall impose the following sanctions, acting at a duly called meeting or by unanimous written consent of the Board, which sanctions shall be retroactive to the date of violation:

- a) The Participant (DR) shall be fined \$5,000.00 and each individual agent in violation shall be fined \$200.00 for each violation, including the MLS user if applicable and for each separate listing.
- b) The DR or individual agent shall pay the monthly user fees for the first month of violation through the month the violation is corrected.
- c) If the sanctions are not paid and/or violations corrected within 30 days of imposition or notice of violation, or 30 days after any appeal hearing becomes final, the Board of Directors shall suspend access to all individuals in the violating office.
- d) For good cause shown through an appeal, or direct correspondence to the JMLS, that is verified, the JMLS directors have discretion to waive all, or part, of the imposed sanctions, at the time that the DR requests that an existing waiver be reinstated.



## **AMENDMENTS TO RULES AND REGULATIONS**

Section 8: Amendments to the Rules and Regulations of the Service shall be by consideration and approval of the Board of Directors of the Jackson Multiple Listing Service, subject to final approval of the Board of Directors of the JACKSON AREA ASSOCIATION OF REALTORS (shareholders).