

Professional Standards Training CASE STUDIES 2021

GRIEVANCE COMMITTEE ETHICS CASE STUDY

Instructions: Read the following case studies and, acting as a Grievance Committee, review the ethics complaints and determine whether these cases should be moved forward for a hearing.

Staff of the association has confirmed that the respondents are members of Virginia REALTORS[®], and were at the time of the alleged conduct. In addition, there are plenty of panel members for an impartial Hearing Panel.

VIRGINIA REALTORS® 10231 Telegraph Road Glen Allen, VA 23059

Ethics Co	omplaint	
To the Grievance Committee of the Virginia REALTORS®.	Filed	, 20
Complainant(s)		Respondent(s)
Complainant(s)		Respondent(s)
Complainant(s) charge(s):		
An alleged violation of Article(s)	ment, which is signed and	dated by the complainant(s) and which explain
This complaint is true and correct to the best knowledge and belie days after the facts constituting the matter complained of could have hundred eighty (180) days after the conclusion of the transaction, or Date(s) alleged violation(s) took place:	e been known in the exe r event, whichever is late	ercise of reasonable diligence or within on er.
Date(s) I became aware of the facts on which the alleged violation(s	s) (is/are) based:	
I (we) declare that to the best of my (our) knowledge and belief, my	(our) allegations in this	complaint are true.
Are the circumstances giving rise to this ethics complaint involved real estate licensing authority or any other state or federal regulator		
Yes No If yes, where?		
You may file an ethics complaint in any jurisdiction where a REALT Code of Ethics, Standard of Practice 14-1 provides, in relevant par more than one Board of REALTOR® with respect to alleged v event." Have you filed, or do you intend to file, a similar or related complain	t, "REALTOR® shall n iolations of the Code o	to be subject to disciplinary proceeding is of Ethics relating to the same transaction of
Yes No		
If so, name of other Association(s):	D	pate(s) filed:
I understand that should the Grievance Committee dismiss this ethic transmittal of the dismissal notice to appeal the dismissal to the Boa		r in total, that I have twenty (20) days from
Complainant(s):	() W m	
Type/Print Name	Signature	
Type/Print Name	Signature	
Addr	ress	

John Jones, Executive Officer Virginia REALTORS[®] 10231 Telegraph Road Glen Allen, VA 23059

RE: Complaint against REALTOR® Everett Childers

Dear John:

I believe that Everett Childers violated Standard of Practice 10-5 of the Code of Ethics. I have known Everett for many years because we grew up together, and so we are friends on Facebook.

On January 7, 2021, I logged in to Facebook and read the vilest message that he had posted. It seemed completely unhinged, and I was shocked that he would have posted such a hateful message about women.

He posted that he was sick and tired of "pregnant women getting all this special treatment" and that he knew that "he lost out on a purchase because the seller went with a buyer who was pregnant – just because the seller felt sorry for her!" Everett even went so far as to say that he did not believe that pregnant woman should be allowed to make any type of business decisions! He typed something along the lines of all women should get back into the kitchen, and that they were too hormonal to make rational decisions about money.

Quite frankly, it seems like he is too hormonal because he was the one ranting on Facebook about this transaction. How unprofessional!

As a professional woman, I felt this antiquated view to be really disgusting, and completely inappropriate. I contacted his broker immediately, and also thought the REALTOR[®] organization should know that he holds these inappropriate views. How can he be expected to work with his female colleagues or clients when he holds these opinions?

He included additional offensive language, but I feel uncomfortable even writing it in my note. I will be happy to provide it to you if it will help your investigation.

Sincerely,

Norah Malone

Form #E-1

VIRGINIA REALTORS® 10231 Telegraph Road Glen Allen, VA 23059

Ethics Com	plaint	
To the Grievance Committee of the Virginia REALTORS®.	Filed January 5	20 <u>21</u>
Julia Suarez	Willow James	
Complainant(s)	Respondent(s)	
Complainant(s)	Respondent(s)	
Complainant(s) charge(s):		
An alleged violation of Article(s) 1 (SOP 1-7), 10 (SOP 10-5)		of the Code
An alleged violation of Article(s) <u>(COULTER)</u> , to (COULTER), of Ethics and/or other membership duty as set forth in the bylaws of the alleges that the above charges(s) (is/are) supported by the attached statement when the alleged violation(s) occurred and , if a different date, when the compla	; which is signed and dated by the complaina	nt(s) and which explains
This complaint is true and correct to the best knowledge and belief of days after the facts constituting the matter complained of could have be hundred eighty (180) days after the conclusion of the transaction, or eve Date(s) alleged violation(s) took place: October 15, 2020 and October 17, 2	en known in the exercise of reasonable d ent, whichever is later.	
Date(s) I became aware of the facts on which the alleged violation(s) (ii	s/are) based: October 15, 2020 and Oc	tober 17, 2020
I (we) declare that to the best of my (our) knowledge and belief, my (our) allegations in this complaint are true.	
Are the circumstances giving rise to this ethics complaint involved in c real estate licensing authority or any other state or federal regulatory or		eding before the state
□ Yes ⊠ No If yes, where?		
You may file an ethics complaint in any jurisdiction where a REALTOR Code of Ethics, Standard of Practice 14-1 provides, in relevant part, "I more than one Board of REALTOR® with respect to alleged viola event." Have you filed, or do you intend to file, a similar or related complaint w	REALTOR® shall not be subject to disci tions of the Code of Ethics relating to th	plinary proceeding in e same transaction or
Yes X No		
If so, name of other Association(s):	Date(s) filed:	
I understand that should the Grievance Committee dismiss this ethics transmittal of the dismissal notice to appeal the dismissal to the Board		wenty (20) days from
Complainant(s):	$O \uparrow S$	
Julia Suarez	Julia Suarez	
Type/Print Name	Orgnature U	
Type/Print Name 9823 Anywhere Street, Anywhere, VA	Signature	
Address	iouoroz@omoil.com	
303-294-2582 Phone	jsuarez@email.com Email	

January 5, 2021

John Jones, Executive Officer Virginia REALTORS[®] 10231 Telegraph Road Glen Allen, VA 23059

RE: Complaint against REALTOR® Willow James

Dear John:

I believe that REALTOR[®] Willow James violated Articles 1 and 10 of the Code of Ethics. I had been working with my client, Eric, for a few months trying to find his perfect home. On October 13, 2020, I sent him, and he asked me to schedule a showing.

We toured the house on October 15, 2020. When we were there, the listing agent, Willow James, was waiting outside the property to help ensure that the COVID protocols were followed. To be honest, she seemed very unwelcoming and judgmental about Eric. I was not sure why.

She made a comment that Eric better take his shoes off when he went inside, and that he absolutely was forbidden from touching anything. Eric said he felt really uncomfortable with her behavior and weird comments directed at him, but he decided that he wanted to put in an offer anyway. She didn't make the same comments to me.

We knew there were multiple showings that day, and properties move pretty quickly in this area. After some discussion, Eric decided to make his offer as attractive as possible by offering \$13,000 over list price, with a home inspection continency, but no financing contingency. I submitted his generous offer at 3 p.m. on October 15, 2020, with an automatic expiration of October 18, 2020.

The next morning, I called Willow to make sure that she had seen the offer. She said that she had received it and would show it to the owners. She didn't seem that excited, but I thought her clients would like Eric's offer, so I didn't think too much about it.

The following day, I still had not heard back from Willow about my client's offer. I called her and left a voicemail to ask if the owners had seen Eric's offer. I was very frustrated when she did not call me back.

On October 18, 2020, my client's offer expired and we had never even heard a response from the sellers. He was so frustrated because he really loved the house. Eric definitely thought that Willow said something to the sellers about him. It seemed like she had it in personally against him. Also, she never responded to my voicemail asking if she had shown her client Eric's offer.

Sincerely, Julia Suarez

Hearing Panel Case Study

Norah Malone vs. Everett Childers

- 1. Go into executive session in your breakout room.
- 2. Choose a chairperson.
- 3. Talk about the case.
- 4. Determine an appropriate sanction (see page 31 of your Resources).
- 5. There is not one correct outcome. Work together to reach a conclusion like a real Hearing Panel.

VIRGINIA REALTORS® 10231 Telegraph Road Glen Allen, VA 23059

Ethics Co	omplaint	
To the Grievance Committee of the Virginia REALTORS®.	Filed	, 20
Complainant(s)		Respondent(s)
Complainant(s)		Respondent(s)
Complainant(s) charge(s):		
An alleged violation of Article(s)	ment, which is signed and	dated by the complainant(s) and which explain
This complaint is true and correct to the best knowledge and belie days after the facts constituting the matter complained of could have hundred eighty (180) days after the conclusion of the transaction, or Date(s) alleged violation(s) took place:	e been known in the exe r event, whichever is late	ercise of reasonable diligence or within on er.
Date(s) I became aware of the facts on which the alleged violation(s	s) (is/are) based:	
I (we) declare that to the best of my (our) knowledge and belief, my	(our) allegations in this	complaint are true.
Are the circumstances giving rise to this ethics complaint involved real estate licensing authority or any other state or federal regulator		
Yes No If yes, where?		
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Yes No		
If so, name of other Association(s):	D	pate(s) filed:
I understand that should the Grievance Committee dismiss this ethic transmittal of the dismissal notice to appeal the dismissal to the Boa		r in total, that I have twenty (20) days from
Complainant(s):	() W m	
Type/Print Name	Signature	
Type/Print Name	Signature	
Addr	ress	

Phone

John Jones, Executive Officer Virginia REALTORS[®] 10231 Telegraph Road Glen Allen, VA 23059

RE: Complaint against REALTOR® Everett Childers

Dear John:

I believe that Everett Childers violated Standard of Practice 10-5 of the Code of Ethics. I have known Everett for many years because we grew up together, and so we are friends on Facebook.

On January 7, 2021, I logged in to Facebook and read the vilest message that he had posted. It seemed completely unhinged, and I was shocked that he would have posted such a hateful message about women.

He posted that he was sick and tired of "pregnant women getting all this special treatment" and that he knew that "he lost out on a purchase because the seller went with a buyer who was pregnant – just because the seller felt sorry for her!" Everett even went so far as to say that he did not believe that pregnant woman should be allowed to make any type of business decisions! He typed something along the lines of all women should get back into the kitchen, and that they were too hormonal to make rational decisions about money.

Quite frankly, it seems like he is too hormonal because he was the one ranting on Facebook about this transaction. How unprofessional!

As a professional woman, I felt this antiquated view to be really disgusting, and completely inappropriate. I contacted his broker immediately, and also thought the REALTOR[®] organization should know that he holds these inappropriate views. How can he be expected to work with his female colleagues or clients when he holds these opinions?

He included additional offensive language, but I feel uncomfortable even writing it in my note. I will be happy to provide it to you if it will help your investigation.

Sincerely,

Norah Malone

Form #E-20

	Board or	State Association			
Address	City	S	tate	Zip	
	Notice to Resp Optional Waive				
In the case of	Complainant	VS		Respondent	
	Complainant			Respondent	
То				, I	Respondent:
Attached is a copy of a complair	t which names you as Responde	ent, as filed with this	Board and	referred to the Grievance	Committee
for review as a matter of an alleg other conduct subject to disciplin	ed violation of Article(s)			of the Cod	e of Ethics or
You have a right to a hearing on	this matter as provided in the C	ode of Ethics and Ar	bitration M	anual, if you desire.	
You may, if certain conditions a and sign the reverse side of this hearing within ten (10) days of the be scheduled in accordance with	form. If you do not acknowledge ansmittal of the complaint, you	ge the conduct allege will have the opport	d in the con	plaint and do not waive	the right to a
Respectfully submitted,	John	e Jones	1	Professional Standards A	dministrator
Type/Print		Signature	, '		ummstrator
	Board or	State Association			
Dated:	, 20				

Waiver of Right to a Hearing

If you wish to waive your right to a hearing, you must affirm as follows:

yes	 (1) I have not been found in violation of the Code of Ethics by any Board or Association of REALTORS[®] in the preceding three (3) years.
	Boards or Associations of REALTORS® where I hold or have held membership in the preceding three (3) years:
yes	(2) I acknowledge the conduct alleged in the complaint.
yes	(3) I agree to accept discipline which may include only one or more of the following: a letter of warning or reprimand, mandatory attendance at a relevant educational program, suspension for thirty (30) days, or a fine not in excess of \$15,000, should a violation of the Code of Ethics ultimately be determined. I acknowledge that I may also be placed on probation.
yes	(4) I waive the right to a hearing.
	, 20, 20

If You Request A Waiver of a Hearing

Your response to question 1 will be verified by the Grievance Committee Chairperson. If no violation has been found in the last three (3) years, and you answer the above questions in the affirmative, the complaint will be referred to a professional standards Hearing Panel. The panel will meet in executive session; neither the complainant nor the respondent will be present. The panel will determine whether the allegations, as acknowledged by the respondent, support a violation of one or more Articles of the Code of Ethics. The panel will prepare a written decision including findings of fact, conclusions, and a recommendation for discipline if a violation is found. Discipline may include only one or more of the following: a letter of warning or reprimand, mandatory attendance at a relevant educational program, suspension for thirty (30) days, or a fine not in excess of \$15,000.*

The decision of the panel will be filed with the Professional Standards Administrator of the Board and disseminated as provided in the *Code of Ethics and Arbitration Manual*. Any appeal of the decision will be in accordance with the *Code of Ethics and Arbitration Manual*.

^{*} In addition to imposing discipline, the Hearing Panel can also recommend to the Board of Directors that the disciplined member be put on probation. Probation is not a form of discipline. When a member is put on probation the discipline recommended by the Hearing Panel is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the Code of Ethics 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 member's record will reflect the fulfillment. The fact that one or more forms of discipline will be held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance.

Virginia REALTORS[®] 10231 Telegraph Road Glen Allen, VA 23059

RE: Respondent's Letter

Dear Executive Officer:

This is truly embarrassing. I am sorry for the words that I wrote, but I did not violate the Code of Ethics.

First of all, I am deeply embarrassed by those words. They really weren't meant to be posted in a public Facebook post. It was late at night and I meant to send a private message to my friend, but I accidentally posted them to my public page. I did not realize this until the next morning. I have deleted the post and shared an explanation to my friends, but I do not think that Norah saw that.

Second of all, I do not think that blowing off steam about this situation is a violation of the Code of Ethics. It wasn't even related to a real estate transaction! I was venting with my friend, Judy, about how her husband, Derek, had lost out on the opportunity to purchase a minivan for their family at a great price. The seller ultimately picked a different buyer over him.

I understand the words of my message were a bit harsh, but they were out of context. I was helping Judy to vent and using a lot of sarcasm in my phrasing, which Judy absolutely knows and understands.

I work with women every day and respect them greatly. I hope I can put this embarrassing situation behind me.

Best Regards, Everett Childers

GRIEVANCE COMMITTEE ARBITRATION CASE STUDY

Instructions: Read the following case study and, acting as a Grievance Committee, review the complaint and determine whether this case should be moved forward to an arbitration Hearing Panel.

Staff of the associations have confirmed both Damian and Elizabeth are members of Virginia REALTORS[®] and were at the time of the alleged conduct. In addition, there are plenty of panel members at both associations for impartial arbitration Hearing Panels.

	ginia REALTORS® ard or State Association		
12031 Telegraph Road Address	Glen Allen City	VAState	23059 Zip
Request and	Agreement to Arbitrate		

(1) The undersigned, by becoming and remaining a member of the <u>Virginia</u> Board of REALTORS[®] (or Participant in its MLS) has previously consented to arbitration through the Board under its rules and

- Participant in its MLS), has previously consented to arbitration through the Board under its rules and regulations.
- (2) I am informed that each person named below is a member in good standing of the Board (or Participant in its MLS), or was a member of said Board of REALTORS[®] at the time the dispute arose.
- (3) A dispute arising out of the real estate business as defined by Article 17 of the Code of Ethics exists between me (or my firm) and (list all persons and/or firms you wish to name as respondents to this arbitration):

Elizabeth Huang	REALTOR [®] principal	123 Anywhere Ave, Virginia USA
Name		Address
	REALTOR [®] principal	
Name	-	Address
Huang Real Estate, Inc.	123 Any	where Ave, Virginia USA
Firm		Address
(NOTE: Arbitration is generally co	nducted between REALT	ORS® (principals) or between firms comprised of
REALTOR [®] principals. Naming a F	REALTOR [®] [principal] as	a respondent enables the complainant to know

REALTOR[®] principals. Naming a REALTOR[®] [principal] as a respondent enables the complainant to know who will participate in the hearing from the respondent's firm; naming a firm may increase the likelihood of collecting any resulting award.)

- (4) There is due, unpaid and owing to me (or I retain) from the above-named persons the sum of \$<u>8,400</u> My claim is predicated upon the statement attached, marked Exhibit I and incorporated by reference into this application. The disputed funds are currently held by <u>Elizabeth Huang</u>.
- (5) I request and consent to arbitration through the Board in accordance with its Code of Ethics and Arbitration Manual (alternatively, "in accordance with the professional standards procedures set forth in the bylaws of the Board"), and I agree to abide by the arbitration award and to comply with it promptly.

In the event I do not comply with the arbitration award and it is necessary for any party to this arbitration to obtain judicial confirmation and enforcement of the arbitration award against me, I agree to pay the party obtaining such confirmation the costs and reasonable attorney's fees incurred in obtaining such confirmation and enforcement.

- (6) I enclose my check in the sum of \$500.00 for the arbitration filing deposit.**
- (7) I understand that I may be represented by legal counsel, and that I should give written notice no less than fifteen (15) days before the hearing of the name, address, and phone number of my attorney to all parties and the Board. Failure to provide this notice may result in a continuance of the hearing, if the Hearing Panel determines that the rights of the other party(ies) require representation.

^{*}Complainants may name one or more REALTOR[®] principals or a firm comprised of REALTOR principals as respondent(s). Or, complainants may name REALTOR[®] principals and firms as respondents.

^{**} Not to exceed \$500

(8) Each party must provide a list of the names of witnesses he intends to call at the hearing to the Board and to all other parties not less than fifteen (15) days prior to the hearing. Each party shall arrange for his witnesses to be present at the time and place designated for the hearing. The following REALTOR® nonprincipal (or REALTOR-ASSOCIATE® nonprincipal) affiliated with my firm has a financial interest in the outcome of the proceeding and may be called as a witness, and has the right to be present throughout the hearing:

All parties appearing at a hearing may be called as a witness without advance notice.

- (9) I declare that this application and the allegations contained herein are true and correct to the best of my knowledge and belief and this request for arbitration is filed within one hundred eighty (180) days after the closing of the transaction, if any, or within one hundred eighty (180) days after the facts constituting the arbitrable matter could have been known in the exercise of reasonable diligence, whichever is later.
- (10) If either party to an arbitration request believes that the Grievance Committee has incorrectly classified the issue presented in the request (i.e., mandatory or voluntary), the party has twenty (20) days from the date of receipt of the Grievance Committee's decision to file a written appeal of the decision. Only those materials that the Grievance Committee had at the time of its determination may be considered with the appeal by the Board of Directors.
- (11) Are the circumstances giving rise to this arbitration request the subject of civil litigation? Yes \Box No
- (12) Important note related to arbitration conducted pursuant to Standard of Practice 17-4 (1) or (2): Where arbitration is conducted between two (or more) cooperating brokers pursuant to Standard of Practice 17-4 (1) or (2), the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the listing broker, seller, or landlord and any amount credited or paid to a party to the transaction at the direction of the respondent.
- (13) Address of the property in the transaction giving rise to this arbitration request:

1421 Main Street, Lexington, VA

(15) Agreements to arbitrate are irrevocable except as otherwise provided under state law.

Complainant(s):

REALTOR® Damian Roux	Damian Roux	March 10, 2021
Name (Type/Print)	Signature of REALTOR® Principal	Date
541 Main Street, VA		
Address		
231-987-5555	rouxforyou@r	ealty.com
Telephone		Email
Name (Type/Print)	Signature of REALTOR® Principal	Date
Address		
Name of Firm*	Address	
Telephone		Email

must be signed by at least one of the REALTOR[®] principals of the firm as a complainant.

(Revised 11/14)

John Jones, Executive Officer Virginia REALTORS[®] 10231 Telegraph Road Glen Allen, VA 23059

RE: Arbitration Request against REALTOR[®] Elizabeth Huang

Dear John:

I am a principal broker at Roux for You Realty, Inc. I believe that I am owed the commission from a transaction that recently closed because my clients purchased the house. However, the listing agent instead paid a different agent, Elizabeth Huang.

I was working with my clients, Otis and Rebecca Drew, to find them a new home in the Lexington area. Rebecca called me one day saying that she drove by a house that was for sale that I had not sent them. The property was located at 1421 Main Street. I immediately forwarded them the MLS listing and pointed out that it was out of their specified price range, but offered to book a showing. Rebecca said that Otis would see it with me because she was too busy with work that day and she'd come back with me if he liked it. I immediately scheduled a showing. The house was listed on January 3, 2021, and Otis and I saw it on January 18, 2021.

He said he really liked it, but wanted to bring his family by and wanted some questions answered. I sent him some comps of other houses in the area, and reached out to the listing agent with his questions. The listing agent, Emilio Franks, answered the questions and I emailed Otis with his answers and offered to set up a second showing.

I did not hear back from Otis for two days, but noticed that the house went under contract on January 21, 2021. On January 21, 2021, I called Rebecca to say that the house had gone under contract, but that I'd gladly take them to some other houses.

Rebecca seemed a bit uncomfortable on the phone and said they did not need to see any homes at the moment. That evening, I got a call from Elizabeth Huang saying that I was not to reach out to her clients, and that they were under contract for 1421 Main Street.

I was floored! The Drews were my clients, and had been for at least a month. We had a buyer brokerage agreement signed! I contacted the listing agent, but he said that Elizabeth presented the offer to him, and the house was set to close on March 1, 2021.

The transaction closed, and Elizabeth was paid the cooperating compensation that should have been mine. She owes me \$8,400.

Sincerely, REALTOR[®] Damian Roux