



Association Bylaws

The Alberta Real Estate Association

January 2023

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BYLAWS

THE ALBERTA REAL ESTATE ASSOCIATION

INCORPORATION

A SOCIETY INCORPORATED UNDER THE SOCIETIES ACT OF ALBERTA February 11, 1947

1. NAME

The name of the society is THE ALBERTA REAL ESTATE ASSOCIATION (the "Association").

2. OPERATIONS

The operations of the Association are to be carried on throughout the Province of Alberta and elsewhere, if permitted by law and in the interests of the Association.

BYLAWS

BYLAW 1 – MEMBERSHIP

1. The members ("Members") of the Association shall consist of the following classes:
 - (a) Professional Member;
 - (b) Real Estate Board ("REB") Member;
 - (c) Honourary Life Member; and
 - (d) Other Members.

2. The classification of membership and conditions of membership are:
 - (a) Professional Member is a Member who has:
 - (i) made application for membership in the Association;
 - (ii) made application for and thereafter remained a member of the Canadian Real Estate Association in accordance with the Charter, Bylaws, Rules, Regulations, REALTOR® Code, Standard of Business Practices, Principles of Competition and policies of the Canadian Real Estate Association;
 - (iii) made application for and thereafter remained a member of an REB operating in a geographic jurisdictional area of Alberta in which the Professional Member carries on business (this requirement may be waived by the Board of Directors of the Association ("Board of Directors"));
 - (iv) in the event the Professional Member holds a real estate broker's license,
 - A. upon applying for membership in the Association, immediately presented applications for each associate broker or associate employed by the Professional Member at the time of the application; and
 - B. upon the employment of associate brokers or associates subsequent thereto, immediately presented an application for membership in the Association for each such associate broker or associate;
 - (v) shall be entitled to exercise voting rights as herein described and provided for; and
 - (vi) paid all membership dues as herein provided.

- (b) Real Estate Board Member is an REB operating in the Province of Alberta and registered under the laws of the Province of Alberta, subject to the following:
- (i) there shall be only one REB Member for each separate geographic jurisdictional area of Alberta;
 - (ii) there shall be the following classes or equivalent classes of REB membership
 - A. professional board members who shall be broker, associate broker or associate members of the REB; and
 - B. honorary members who shall be individuals recognized for special reasons by the REB.
 - (iii) the REB shall make written application for membership in the Association, which application shall be accompanied by:
 - A. a roster containing the names and addresses of all its members in good standing; and
 - B. an application for membership for each of those classes of members set forth in paragraph 2(b)(iii) herein;
 - (iv) the REB shall, subsequent to its application, immediately present applications for membership for each new member of the REB falling within the classes set forth in paragraph 2(b)(iii) herein.
- (c) Honorary Life Member is an individual so elected by unanimous vote of the Board of Directors at a regularly called meeting, provided the names of such nominees are mailed to each director ("Director") at least thirty (30) days before each meeting and who shall:
- (i) not be required to pay any membership dues except such dues as are payable if the Honorary Life Member maintains some other class of membership in the Association;
 - (ii) not be entitled to vote or hold office, unless such right is granted by unanimous vote of the Board of Directors; and
 - (iii) include the Chair upon successful completion of a term as Chair.
- (d) Other Members shall include classes of membership, the nature of the membership type and associated membership conditions, in addition to those set forth in paragraphs 2(d)(ii)-(vi) herein, provided that they shall:
- (i) be approved by the Board of Directors;
 - (ii) be person(s) or organization(s) that do not hold a license and/or are not registered to trade in real estate in Alberta;
 - (iii) not be entitled to vote or hold office, unless such right is granted by unanimous vote of the Board of Directors;

- (iv) make application for membership in the Association; and
 - (v) pay all membership dues as approved by the Board of Directors.
- 3. All Members shall agree in a form satisfactory to the Board of Directors to adopt and abide by the Constitution and Bylaws of the Association and to abide by the REALTOR® Code, Standards of Business Practices, Privacy Code and Principles of Competition.
- 4. Applicants shall be enrolled as Members of the Association only after approval for membership is given by the Board of Directors and the applicants have met the uniform and reasonable financial and educational criteria or standards of competence, integrity and character that are reasonably necessary for the protection of the public.
- 5. Professional Members of the Association in good standing shall have the privilege of:
 - (a) participating in all the activities of the Association;
 - (b) applying for and receiving the advice and assistance of the Association, at the sole discretion of the Board of Directors; and
 - (c) standing for office in the Association as herein described and provided for.REB, Honourary Life and Other Members shall not have the privilege to vote, but shall have such other privileges as may be granted by the Board of Directors.
- 6. Members may withdraw from the Association by giving written notice to the Association provided that:
 - (a) such written notice of withdrawal shall only become effective when accepted by the Board of Directors;
 - (b) the withdrawing Member shall not be relieved of any indebtedness for dues or monies payable to the Association; and
 - (c) on the written notice of withdrawal, the Member loses all rights and privileges in the Association.

BYLAW 2 – BOARD OF DIRECTORS

- 1. There shall be a Board of Directors consisting of:
 - (a) one (1) member of an REB from the Northern Region;
 - (b) one (1) member of an REB from the Capital Region;
 - (c) one (1) member from an REB from the Central Region;
 - (d) one (1) member from an REB from the Foothills Region;
 - (e) one (1) member from an REB from the Southern Region;

- (f) one (1) member from the public who is not a member of the Association ("Public Director");
and
 - (g) three (3) members of the Association elected at large, provided that no more than one member may be elected at large from any one Region.
2. The Board of Directors shall meet at least three (3) times each year at the call of the Chair, or any five (5) members of the Board of Directors upon written notice of at least fifteen (15) days to all Directors at the time and place specified in the call.
 3. Subject to the provisions of Bylaw 18, the Board of Directors shall not incur any obligation or authorize any expenditure of money in excess of the available cash in hand without resolution of the Association at the Annual Meeting or at a special meeting called for that purpose. Surplus funds may, at the discretion of the Board of Directors, be utilized for any purpose which in their opinion shall be beneficial to the interests of the Association and/or its members. No part of the income of the Association is to be payable to, or made otherwise available for the personal benefit of any member unless, in the opinion of the Board of Directors, to do so would be beneficial to the Association.
 4. The office of Director shall be vacated if the Director:
 - (a) resigns by delivering to the Chief Executive Officer of the Association a written resignation which shall be effective when accepted by the Board of Directors;
 - (b) is legally certified as mentally incompetent;
 - (c) ceases to be a Member of the Association (where such status is required in the Bylaws);
 - (d) fails to attend three meetings of the Board of Directors without reasonable excuse approved by the Chair; or
 - (e) is removed for cause, including a breach of any code of conduct of the Association, by a two-thirds vote of the Directors, after reasonable notice and hearing.
 5. All Directors shall be elected to the Board of Directors through the following process:
 - (a) a standing nominating committee ("Nominating Committee"), of five (5) voting members and two (2) non-voting member shall be appointed in accordance with Association policy and shall be responsible for nominating individuals for election as Directors under this Bylaw 2;
 - (b) the Nominating Committee shall submit nominations to the Board of Directors at least fifteen (15) days prior to the meeting date set by the Board of Directors for which consideration of Directors to be approved for election by a general meeting of the Association occur;
 - (c) the Board of Directors shall provide notice to Members of the names recommended as Directors at least thirty (30) days in advance of a general meeting of the Association;

- (d) in the event a voting Member of the Association desires to object to a recommendation of the Board of Directors under Bylaw 2, section 5(c), the voting Member must notify the Chair at least fifteen (15) days prior to the general meeting of the Association;
 - (e) in the event no objection is made under Bylaw 2, section 5(d), then the Board of Directors shall be acclaimed without a vote at the general meeting of the Association;
 - (f) in the event an objection is made under Bylaw 2, section 5(g), then the Nominating Committee shall hold a meeting in advance of the AGM and consider submissions from voting Members regarding the recommendation;
 - (g) upon the recommendation of the Nominating Committee, the Board of Directors may make a recommendation of the same candidate for election as a Director, notwithstanding any objection by voting Members;
 - (h) should a voting Member continue to maintain an objection to the election of a Director recommended under Bylaw 2, section 5(g), the voting Member may object to the recommendation at the general meeting of the Association and a vote shall be conducted with respect to such Director;
 - (i) in the event a recommendation is not accepted by vote of the voting Members at the AGM, the Nominating Committee and the Board of Directors shall immediately meet and a new recommendation shall be made to the general meeting of the Association and the individual elected by a majority of the voting Members voting shall serve as Director; and
 - (j) where no objection is raised by a voting Member to a recommendation of the Board of Directors, the individual recommended shall be acclaimed without a vote.
6. The term of office for each Director shall be two (2) years and a Director may be re-elected twice. A Director may be elected again after at least two (2) years have elapsed from the end of a third consecutive term as Director.
 7. With the exception of the Public Director, four (4) Directors shall be elected at each annual general meeting of the Members of the Association. The Public Director shall be elected at the end of each Public Director term of office or upon a vacancy in the office of Public Director.
 8. Notwithstanding the foregoing, with the exception of the Public Director, in 2019 the Board shall choose four Directors randomly to serve one (1) year terms on a one time basis to create a rotation system for the election of Directors.
 9. The REBs constituting the Northern, Capital, Central, Foothills and Southern Regions shall be designated from time to time by the Board of Directors.
 10. Should a vacancy occur on the Board of Directors, the vacancy shall be filled by the Board of Directors, subject to approval by the next general meeting of Members.
 11. The term of each Director shall commence on January 1, with the exception of Directors elected to fill a vacancy created prior to the expiration of the term of a Director and provided that the

term of a Director shall continue until the day their replacement is elected, or January 1, whichever is later.

12. Notwithstanding the foregoing, the Chair and Chair-Elect shall be acclaimed as Directors to the extent necessary to ensure that the Chair and Chair-Elect are Directors during the term of office to which they are appointed.

BYLAW 3 – OFFICERS

1. The officers of the Association shall be a Chair, Chair-Elect, Chief Executive Officer and a Treasurer, holding active membership in the Association and willing to serve. The office of Chief Executive Officer and Treasurer may be held by the same person.
2. Within sixty (60) days prior to December 31, the Board of Directors shall meet and elect the Chair-Elect for the subsequent year. Their term of office shall be one (1) year commencing January 1 to December 31, inclusive.
3. If there is a vacancy in the position of Chair, or Chair-Elect, the Board of Directors shall meet and elect a successor. Such successor's term of office shall end on December 31 of that calendar year.
4. All Officers of the Association, with the exception of the Chief Executive Officer and the Treasurer, shall be members of the Board of Directors.
5. The Chair and Chair-Elect shall have been Directors of the Association for at least one (1) year preceding the date of their election. The Chair and Chair-Elect may be re-elected to serve one successive term.
6. The Board of Directors shall appoint members for Alberta to the Assembly of the Canadian Real Estate Association in accordance with the Bylaws of the Canadian Real Estate Association.
7. The Board of Directors may hire a Chief Executive Officer who, in turn, may retain consultants and engage such employees as he shall deem necessary from time to time, and such persons shall have such authority and shall perform such duties as shall be prescribed by the Chief Executive Officer at the time of appointment. The Chief Executive Officer shall pay such staff from Association funds allocated in the annual operating budget approved by the Board of Directors.

BYLAW 4 – DUTIES OF OFFICERS

1. The Chair shall be the Chief Elected Officer of the Association and shall preside at all meetings of the Association and of the Board of Directors of the Association. The Chair shall have authority to represent the Association and act in its name, subject only to the Board of Directors of the Association. The Chair shall see that all orders and resolutions of the Board of Directors of the Association are carried into effect. The Chair and the Chief Executive Officer, or other officers

appointed by the Board of Directors for the purpose, shall sign all Bylaws requiring the signatures of the officers of the Association. The Chair and Chief Executive Officer shall be an ex-officio member of all committees of the Association.

2. The Chair-Elect shall in the absence or disability of the Chair, perform the duties as shall from time to time be imposed by the Board of Directors. In the absence or disability of both the Chair and Chair-Elect and the Board of Directors shall appoint one of their number to discharge the duties of the Chair.
3. There shall be a Chief Executive Officer who shall be hired by the Board of Directors, which shall determine the terms of remuneration of the Chief Executive Officer. The Chief Executive Officer need not be a Member of the Association.

The Chief Executive Officer or designate shall attend all meetings of the Association and of the Board of Directors, and act as Secretary thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Chief Executive Officer shall be an ex-officio member of all committees and sit as a non-voting invitee of the Board of Directors. The Chief Executive Officer shall be custodian of the records and of the Seal of the Association, which they shall deliver only when authorized by a resolution of the Board of Directors to do so and to such person or persons as may be named in the resolution.

There shall be a fidelity bond for the Chief Executive Officer in such amount as shall be determined by the Board of Directors; the expense of such bond shall be paid by the Association.

4. The Treasurer shall be appointed by the Board of Directors and need not be a Member of the Association. The Treasurer shall be the custodian of the Association funds and securities and, subject to the control of the Board of Directors, shall be the disbursing officer of the Association as well as of special funds or securities held or administered by the Association. The Chief Executive Officer or other staff member may also be appointed Treasurer.

The Treasurer shall deposit the funds and securities in such depositories as the Board of Directors may designate and shall be relieved of responsibility therefor while in the custody of such depository subject, however, to any liability under their bond.

There shall be a fidelity bond for the Treasurer in such amount as shall be determined by the Board of Directors; the expense of such bond shall be paid by the Association.

5. The signing officers of the Association shall be any two (2) of the Chair, the Chair-Elect, the Chief Executive Officer and the Treasurer, provided that no person may sign in more than one capacity. The Board of Directors shall have the power by resolution to appoint alternate signing officers.

BYLAW 5 – COMMITTEES

1. There shall be a Nominating Committee, a finance and audit committee, a governance committee ("Governance Committee") and such other task forces and committees (collectively "Committees") as may be designated by the Board of Directors.
2. The chairpersons of Committees shall be appointed by the Governance Committee, subject to the approval of the Board of Directors.
3. The duties and functions of Committees shall be as assigned to them by the Board of Directors or the Chair.
4. All actions of Committees shall be subject to the approval of the Board of Directors.

BYLAW 6 – SUSPENSION AND TERMINATION

1. The Board of Directors may, after reasonable notice and hearing, fine, suspend or terminate the membership of any Member who fails to comply with the Bylaws of the Association or the REALTOR® Code of the Association or who has been convicted of a criminal offence that reflects on the integrity and character of the Member. On such suspension or termination, the Member shall lose all rights and privileges in the Association.
2. Notwithstanding any other provisions contained herein to the contrary, the Board of Directors shall immediately terminate the membership of any Member, except an Honourary Life Member, who does not maintain some other class of membership in the Association, who is not a member in good standing of an REB Member, if the jurisdiction within which they practice has such a member, and of the Canadian Real Estate Association.
3. The Board of Directors may at their discretion suspend or terminate the membership of any Member who has failed to pay, after thirty (30) days' notice, any dues or other monies payable to the Association.

BYLAW 7 – FINANCIAL DISPUTES

1. The Board of Directors may appoint as required an arbitration hearing panel ("Hearing Panel") whose function shall be to adjudicate commission disputes and controversies over financial matters, where:
 - (a) a Member brings a complaint against another Member; or
 - (b) the matter has been referred to the Association by the board of directors of an REB; or
 - (c) one disputing party is not a member but the non-member consents in writing to binding arbitration.
2. The Board of Directors and the Hearing Panel shall be governed by Rules and Regulations established by the Association.

BYLAW 8 – ETHICS, CODE OF CONDUCT AND STANDARDS OF BUSINESS PRACTICE

1. The Board of Directors may appoint as required a professional standards panel ("Hearing Panel") whose function shall be to investigate and consider the conduct of any Member, where:
 - (a) a complaint is brought by a Member; or
 - (b) the board of directors of an REB asks the Association to handle a complaint against the Member.
2. The Board of Directors and the Hearing Panel shall be governed by Rules and Regulations established by the Association.

BYLAW 9 – USE OF ASSOCIATION LICENSED PROPERTY

1. The Association shall grant each Professional Member in Good Standing a royalty-free, non transferrable licence ("**Licence**") to utilize AREA copyright standard forms ("**Licensed Property**"). The Licensed Property may be offered to the public for matters set out in sections 1(x)(ii), (iii), and (vi) of the Real Estate Act (Alberta) and as the terms of the Licence may direct. The Licensed Property may be utilized for no other purpose other than in compliance with these Bylaws and the Licence. The Board of Directors shall determine the form and substance of the Licence granted to Professional Members in Good Standing.
2. The Board of Directors may appoint a professional standards panel ("**Hearing Panel**") whose function shall be to investigate and consider the conduct of any Member, where:
 - (a) a complaint is brought by a Member relating to breach of the terms of the Licence; or
 - (b) the board of directors of an REB asks the Association to handle a complaint against a Member.
3. The Licence may be revoked at the discretion of the Board of Directors, or a Hearing Panel as applicable, when a Professional Member falls out of Good Standing.

BYLAW 10 – MEETINGS

1. Once each calendar year there shall be an annual general meeting of the Association held in the Province of Alberta. The Board of Directors shall determine the time and place of such meeting.
2. Special meetings of the Association may be called by the Chair or the Board of Directors, and a special meeting shall be called upon written petition signed by ten (10) percent of Members.
3. Notification of the time and place of all meetings of the Association shall be given in the name of the Chair to each Member of the Association at least fourteen (14) days before such meeting,

but accidental omission to notify any Member or the non-receipt of such notice by any Member shall not invalidate the proceedings of any meeting of the Association.

4. The Chair may determine the order of business of any meeting of the Association and the time and place at which it shall be held. In the event a voting Member of the Association desires to present a motion, the Member must present the motion to the Chair in writing no fewer than twenty-one (21) days prior to the meeting.
5. Proxy voting is not permitted at meetings of the Association. If the Board of Directors establishes an electronic system of participation in a meeting of the Association whereby the identity of the Members can be verified then Members may vote on motions proposed in the meeting by electronic means.

BYLAW 11 – QUORUM

1. The following numbers of members shall constitute a quorum at:
 - (a) a meeting of the Board of Directors - a majority.
 - (b) any meeting of the Association - fifty (50) voting Members.
 - (c) meetings of Committees - a majority of the members of the Committee shall constitute a quorum.

BYLAW 12 – FISCAL YEAR

1. The fiscal year of the Association shall be from November 1 to October 31 inclusive.

BYLAW 13 – DUES

1. The Board of Directors shall determine prior to each fiscal year the schedule of annual dues for the ensuing year to be paid by the classes of membership as set out in Bylaw 1, Sections 1 and 2 and such dues shall be payable by each Member in accordance with the conditions established from time to time by the Board of Directors.
2. In all cases where membership in the Association is contingent upon membership in an REB, the Board of Directors may agree with an REB that:
 - (a) in January of each year file with the Association the names and addresses of all of its members; and
 - (b) collect on behalf of and pay to the Association the annual dues of each of its members, provided that the names and addresses of new members enrolled by the REB during the year shall be filed with the Association accompanied by the appropriate annual dues.

3. Each person attending the annual conference of the Association shall pay such registration fee as shall be determined by the Board of Directors, provided there shall be no registration fee to attend the annual general meeting or any special general meeting of the Association.

BYLAW 14 - REALTOR® CODE, STANDARDS OF BUSINESS PRACTICES, PRIVACY CODE AND PRINCIPLES OF COMPETITION

1. The Association adopts and will comply with the REALTOR® Code, Standards of Business Practices and Principles of Competition of the Canadian Real Estate Association (CREA). The Members of the Association, as a requirement for their continued Association membership, must also comply with CREA's REALTOR® Code, Standards of Business Practices and Principles of Competition.
2. The Association and its Members will comply with CREA's Privacy Code provided that CREA's Privacy Code (the 10 published principles) does not conflict with the Personal Information Protection Act, S.A. 2003, c.P-6.5 ("PIPA"). In the event that the Privacy Code of CREA may be in conflict with PIPA, the Association and its Members must comply with PIPA.
3. The Association and its Members will comply with the Association's privacy policies as published and the Association and its Members' personal information practices will comply with Alberta Law, including PIPA.

BYLAW 15 - AMENDMENT OF THE BYLAWS

1. At any Annual General Meeting or special meeting of the Association, the Bylaws of the Association may be repealed, added to, or altered by a special resolution passed by a majority vote of not less than 75% of the members of that meeting. The substance of the proposed amendments shall be delivered to each member of the Association at least twenty-one (21) days prior to the meeting at which the amendments will be voted upon. Such delivery to the member shall be made at the last Alberta business address for that member which is on file at the office of the Association.

BYLAW 16 – AMENDMENT OF THE RULES AND REGULATIONS

1. The Board of Directors of the Association may from time to time make, amend and repeal any Rule or Regulation of the Association.
2. The Chief Executive Officer shall, in any manner they deem proper, publish to the members any decision of the Board of Directors to make, amend or repeal any Rule or Regulation.
3. A member shall not violate any Rule or Regulation of the Association.

BYLAW 17 – AUDITORS

1. The Board of Directors of the Association shall appoint an Auditor at the first meeting following each annual general meeting of Members. The accounts of the Association shall be audited at least annually and an audited statement submitted for approval to the membership at the Annual Meeting. The remuneration of the Auditor shall be fixed by the Board of Directors.

BYLAW 18 – LEGAL COUNSEL

1. The Board of Directors may retain legal counsel and fix the terms of compensation.

BYLAW 19 – EXERCISE OF BORROWING POWERS

1. The borrowing powers of the Association are limited:
 - (a) to the establishment of an operating line of credit in an amount not to exceed the current fiscal year's operating budget, the establishment and terms of which must be authorized by the Board of Directors at a regularly called meeting;
 - (b) at no time, shall association borrowing exceed Association assets; and
 - (c) in all other circumstances, to such amounts and on such terms as may be authorized at a special meeting of the Association called for the purpose of considering same or at the annual general meeting of the Association.

BYLAW 20 – SEAL AND RECORDS OF THE ASSOCIATION

1. The Seal of the Association shall be used only with the joint signatures of the Chair and the Chief Executive Officer or Treasurer and shall remain in the custody of the Chief Executive Officer of the Association.
2. The votes and minutes of all proceedings of meetings of the Association and of the Board of Directors shall be recorded by the Chief Executive Officer or, in their absence, by a Secretary appointed at any such meeting. The minutes shall be given into the custody of the Chief Executive Officer for retention.
3. The financial records shall remain in the custody of the Treasurer.
4. The records and the Seal of the Association shall be delivered by the Chief Executive Officer only when authorized by a resolution of the Board of Directors to do so and to such person or persons as may be named in the resolution.
5. The books and records of the Association may be inspected by any Member of the Association at the place of business of the Chief Executive Officer or Treasurer at any time during business hours upon five (5) days written notice having been given to the Chief Executive Officer or Treasurer of intention so to do.

BYLAW 21 – RULES OF ORDER

1. When the order of procedure is not established by the Bylaws of the Association, the latest edition of Robert's Rules of Order shall be recognized as the authority governing the meetings of the Association, its Directors and Committees.
2. The Chair may vote upon any question, but having done so shall not have a casting vote in the event of a tie. In the event of there being no majority in favour of a motion, the motion shall be declared lost.

BYLAW 22 – GENDER

1. In these Bylaws, wherever the pronoun "they" is used, it shall be read as singular or plural as the context requires.

BYLAW 23 – INDEMNITY

1. Every Director or officer of the Association or other person who has undertaken or is about to undertake any liability on behalf of the Association shall be deemed to have assumed office or undertaken such liability on the express understanding and agreement and consideration that every such Director or officer or person or their heirs, executors and administrators and estate and effects respectively shall, from time to time and at all times, be indemnified and save harmless out of the funds of the Association for and against:
 - (a) all costs, charges and expenses whatsoever which such Director, officer or other person sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever theretofore or hereafter made, done or permitted by them in or about the execution of duties of their office or in respect of such liability; and
 - (b) all other costs, charges and expenses which they sustain or incur in or about or in relation to the affairs of the Association, except such costs, charges or expenses as are occasioned by their own willful neglect or default.
2. No Director or officer of the Association shall be liable for the acts, receipts, neglects or defaults of any other Directors or officers, or for joining in any receipts of other acts for conformity, or for any loss of expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Association, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Association shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or affects of the Association shall be deposited, or for any loss occasioned by any error of judgement or oversight on their part, or for any other loss, damage or misfortune whatsoever which shall happen in the

execution of the duties of their office or in relation thereto unless the same shall happen by or through their own willful act or default.

BYLAW 24 – DISSOLUTION

1. In the event of a liquidation or dissolution of the Association, all assets remaining after the payment and satisfaction of all debts and liabilities of the Association shall be distributed or disposed of to some charitable organization or educational cause designated by the Members of the Association at a special meeting called for that purpose.

BYLAW 25 – DEFINITIONS

1. In these Bylaws, unless the context otherwise requires, the following words shall have the meaning ascribed:
 - (a) "Act" means the Real Estate Act, R.S.A. 2000, c.R-5 (as amended from time to time); and
 - (b) "broker", "license", "licensed", "associate broker", "associate" and "industry member" shall have the meanings of those words in the Act.
 - (c) "Good Standing" means a Member which has fulfilled and continues to fulfil the requirements for membership as set out in BYLAW 1, has paid all membership dues as herein provided, and who neither has voluntarily withdrawn from membership nor has had their membership terminated after appropriate proceedings consistent with lawful provisions of these bylaws and the rules and regulations associated therewith.

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RULES AND REGULATIONS

These Rules and Regulations form part of AREA’s Bylaws. Changes to the Rules and Regulations can be made with the approval of the AREA Board of Directors. Members will be notified as amendments to the Rules and Regulations occur.

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1. DEFINITIONS

1.01 Definitions and Interpretations

Terms as defined in the AREA Bylaws shall have the same definition and meaning in these Rules and Regulations.

Unless the context requires otherwise, the following words shall mean:

- (a) “Adjourn” means to temporarily, at the discretion of the hearing Chairperson, halt Hearing proceedings.
- (b) “Alternate Chairperson” means the Professional Standards Committee member appointed to fulfil the Chairperson, or any other Hearing Panel member’s, duties due to absence from a Hearing for any reason.
- (c) “Appellant” means the party who files an Appeal.
- (d) “Applicant” means the party who files a Complaint.
- (e) “Arbitration Act” means the Arbitration Act of Alberta.
- (f) “Arbitration Award” (“Award”) means the award as determined by the Hearing Panel.
- (g) “Associate” is an individual who holds the qualifications of a real estate associate; is licensed as a real estate associate by the Real Estate Council of Alberta; is employed by or associated with a licensed real estate brokerage in Alberta and is registered with and approved to trade in real estate on behalf of that brokerage.
- (h) “Associate Broker” is an individual to holds the qualifications of a real estate broker; is licensed as an Associate Broker by the Real Estate Council of Alberta; is employed by or associated with a licensed real estate brokerage in Alberta and is registered with and approved to trade in real estate on behalf of that brokerage.
- (i) “Broker” is an individual who holds the qualifications of a real estate broker, is licensed as a real estate broker by the Real Estate Council of Alberta; is employed by or associated with a licensed real estate brokerage in Alberta and is registered with and approved to operate a real estate brokerage and trade in real estate on behalf of that brokerage.
- (j) “Brokerage” is a real estate brokerage that is licensed under the Real Estate Act.
- (k) “Brokerage Member” is a Brokerage that is Member of AREA and employs a licensed and registered Broker.
- (l) “Business Day” means every day precluding Saturday, Sunday and statutory holidays.
- (m) “Chairperson” means the Professional Standards Committee member who is responsible for the conduct of proceedings.

- (n) “Claim” means a dispute between two brokerage members relating to the division or disposition of commission or referral fee paid or to be paid in respect of a transaction or transactions.
- (o) “Complaint” means a written statement as prescribed in these rules.
- (p) “Filing Fee” means the fee payable to AREA from the parties in order to proceed with a Hearing.
- (q) “Hearing” means:
- (i) “Appeal Hearing” means a Hearing held when a charged party has filed a Notice of Appeal in accordance with AREA Rules and a Hearing Panel will make a determination pursuant to AREA Rules Part 13.
 - (ii) “Arbitration Hearing” means a Hearing held when an Arbitration Submission is received in accordance with AREA Rules and a Hearing Panel will determine commission or referral fee entitlement in accordance with AREA Rules.
 - (iii) “Consolidated Hearing” means a Hearing held when both an Arbitration Submission is received in accordance with AREA Rules and charges have been laid as the result of an Investigation pertaining to the same matter. A Hearing Panel will determine commission or referral fee entitlement in accordance with AREA Rules as well as either:
 - A. Determine guilt and any appropriate penalty, if any, based on the written evidence, the oral Hearing presentation(s) and the Respondent’s history of infractions when the Respondent does not admit guilt to the facts of a Complaint and the charges laid as the result of an Investigation; or
 - B. Determine the appropriate penalty based on the written evidence, the oral Hearing presentation(s) and the Respondent’s history of infractions when the Respondent admits guilt to the facts of the Complaint and the charges laid as the result of an Investigation.
 - (iv) “Inquiry Hearing” means a Hearing held when a Respondent does not admit guilt to the facts of a Complaint and the charges laid as the result of an Investigation and a Hearing Panel will determine guilt and any appropriate penalty, if any, based on the written evidence, the oral Hearing presentation(s) and the Respondent’s history of infractions.
 - (v) “Penalty Hearing” means a Hearing held when a Respondent admits guilt to the facts of the Complaint and all charges laid as the result of an Investigation and a Hearing Panel will determine the appropriate penalty based on the written evidence, the oral Hearing presentation(s) and the Respondent’s history of infractions.

- (vi) “Multiple Rule Violations Hearing” means a Hearing held when a Respondent has received four (4) or more Summary Offence violations and a Hearing Panel will determine the appropriate penalty based on the written evidence, the oral Hearing presentation(s) and the Respondent’s history of infractions.
- (r) “Hearing Panel” means the panel of Professional Standards Committee members appointed to conduct a Hearing who are trained in the AREA dispute process.
- (s) “Investigating Team” means the panel of Professional Standards Committee members appointed to conduct an Investigation who are trained in the AREA dispute process.
- (t) “Investigation” means the convening of an Investigating Team to determine whether or not charges should be laid against any Applicant or Respondent to a Complaint.
- (u) “Member” means any Member of AREA as defined in the AREA Bylaws.
- (v) “Panelist” is a member of an Professional Standards Committee, or Hearing Panel.
- (w) “Professional Standards Committee” means the committee with the authority under the AREA Rules to hear financial, ethical and other matters in the course of a Complaint, Investigation or Hearing who are trained in the AREA dispute process.
- (x) “Real Estate Act” means the Alberta Real Estate Act and any successor legislation.
- (y) “Recording Secretary” means the AREA staff attending any Hearing in assistance to the Hearing Panel.
- (z) “Respondent” means the party who is in response to or in opposition to a Complaint made by an Applicant, or charges laid by an Investigating Team or as the result of a Summary Offence. An Applicant can also become a Respondent if charges are filed following an Investigation of a Complaint.
- (aa) “Submission” means documents, consent agreements and deposits required in the course of an Arbitration Hearing.
- (bb) “Summary Offence” means a contravention of specific practice rules. The list of practice rules and the associated sanctions that are addressed through Summary Offences are listed in the Provincial MLS® System Listing & Practice Rules for Alberta REALTORS®.

2. LIABILITY

2.01 No person may initiate, lay charges or commence legal proceedings for damages or other relief against any member of the Professional Standards Committee, Hearing Panelist, member Board, AREA, or any member of the Board of Directors, officer or employee of a member Board or AREA for what they did or failed to do in the administration of the provisions of the hearing

process and/or AREA Rules, Bylaws or the REALTOR® Code. This rule is hereby confirmed as an absolute defence against such charges or proceedings and each person hereby waives their right to file such charges or proceedings.

3. JURISDICTION

3.01 AREA is the provincial association responsible for the province-wide Administrative Justice program as outlined in AREA Bylaws, Rules and Regulations and CREA's REALTOR® Code. Activities under AREA's jurisdiction, which will be dealt with through AREA's administrative justice program, include but are not limited to:

- (a) breaches of the REALTOR® Code;
- (b) conduct unbecoming of a member;
- (c) commission or referral fee disputes between members;
- (d) complaints against members brought by other members;
- (e) failure to comply with rules respecting open houses;
- (f) interference of a member with another member's sign; or
- (g) breach of professional standards.

3.02 Management and enforcement of MLS® System Rules infractions fall under the jurisdiction of the Boards or their designate. Local Boards may refer cases to the Administrative Justice Program involving members that repeatedly break MLS® System Rules as a breach of professional standards.

3.03 Members of the public will be encouraged to file Complaints directly with RECA.

4. PROFESSIONAL STANDARDS COMMITTEE

4.01 Authority of the Professional Standards Committee

The Professional Standards Committee have powers as follows:

- (a) Forward to any governing, regulatory and policing bodies;
- (b) Advisory letter;
- (c) Letter of reprimand;

- (d) Order to attend any educational course;
- (e) Assess costs;
- (f) Fine to a maximum of \$30,000.00;
- (g) Suspend AREA membership;
- (h) Expel a member from membership with AREA;
- (i) Recommend a member be suspended or expelled from a Local Board.

4.02 Professional Standards Committee Panelists

- (a) The Professional Standards Committee shall have available a 'pool' of qualified persons nominated by the member Boards and approved by the Board of Directors.
- (b) A Panelist must:
 - (i) be in good standing with a real estate board for five (5) years;
 - (ii) not have received a fine from either the Real Estate Council of Alberta or the Board (excluding an administrative fine) within the last two (2) years;
 - (iii) not have had a license suspension;
 - (iv) be regarded as having a high level of integrity within the industry;
 - (v) sign a confidentiality agreement not to disclose or act upon any confidential information obtained in the course of being a Panelist; and
 - (vi) have completed AREA's Administrative Justice training program.

Panelists who fail to meet the established criteria will be removed from the Panel.

- (c) Panelists may not serve on a Hearing Panel investigating any matter if:
 - (i) they or their firm have a personal or a financial interest in the matter; or
 - (ii) they are the employer, the employee, or related to any party to the matter; or
 - (iii) they were on an Investigating Team or Hearing Panel which heard the matter which is the subject of the Hearing.

- (d) Appeal Hearing Panelists may not serve on an Appeal Panel if they were on the Investigating Team or Hearing Panel which heard the matter which is the subject of the appeal.

4.03 Payment to Professional Standards Committee Members

Professional Standards Committee Members will be compensated for their work as per AREA's reimbursement guidelines. Travel and approved out-of-pocket expenses for out-of-town Hearings will be reimbursed as per AREA guidelines.

5. AUTHORITY GRANTED TO INVESTIGATING TEAMS

The Investigating Teams have the authority under the AREA Rules to investigate Complaints to determine whether or not charges should be laid against any Applicant or Respondent to a Complaint.

6. AUTHORITY GRANTED TO ARBITRATION PANEL/DISPUTES TO BE ARBITRATED

6.01 As a condition of their membership in organized real estate, members are required to submit unresolved commission and referral fee disputes between Brokerages to the Administrative Justice Program for arbitration. As a general rule, a dispute that goes to arbitration cannot be the subject of litigation.

6.02 The minimum disputed claim amount to be arbitrated by AREA is \$2,000. Claims below that amount must be submitted to an alternate process of settlement (e.g., facilitation or mediation).

6.03 If the Hearing Panel is not prepared to hear the dispute, it may direct the parties involved to proceed to arbitration pursuant to the provisions of the Arbitration Act, Chapter A-43, RSA 2000 and amendments thereto, instead of an arbitration under Bylaw 7.

7. AUTHORITY GRANTED TO HEARING PANELS

7.01 The Professional Standards Committee has the power to act as a disciplinary body and shall conduct hearings to:

- (a) investigate and consider the conduct of any member;
- (b) enquire and determine whether any member has committed any infringement of the Provincial MLS® System Listing and Practice Rules for Alberta REALTORS®, Bylaws, REALTOR® Code, Code of Ethics, Standards of Business Practices, or has otherwise been guilty of conduct unbecoming a member; or

(c) examine any other matter referred to it by the Board of Directors.

7.02 The Professional Standards Committee reserves the right to determine that a particular matter is beyond its jurisdiction and that it not be referred to a Hearing Panel.

7.03 The Professional Standards Committee may, at its sole discretion, any time after receiving a Complaint or giving notice of a Complaint to a Respondent, determine that no further action be taken with respect to the Complaint, and record that decision in writing.

7.04 The Professional Standards Committee will deal only with Complaints against a member brought forward by another member. It will not hear disputes when brought by a non-member.

(a) If a party to the Complaint was a member when the Complaint was first filed with AREA, and is now not a member, they remain subject to the Bylaws, Rules and Regulations, Code of Ethics and Standards of Business Practices, and the Professional Standards Committee shall proceed to hear the Complaint.

8. COMPLAINTS

8.01 Complaint Submission

All Complaints, excluding those violations of the AREA Rules which are covered by Summary Offences, must be in writing and include the Applicant's name, brokerage, a detailed account of what has transpired in chronological order, along with all supporting documentation, and include, in the case of member to member complaints, a letter from the Applicant's Broker supporting the complaint. Complaints must be filed within one (1) year from the date of occurrence or, within one (1) year of when a reasonable person knew or ought to have known when the facts were discoverable. No action will be taken on a Complaint received by AREA more than one (1) year after the occurrence of the event.

8.02 Communication of Complaint to Respondent

The Complaint will be sent in its entirety to the Respondent who is required to provide, within seven (7) business days of receipt, a written response called a "Reply", to all of the allegations contained in the Complaint including a detailed chronological account along with all supporting documentation. The response will be sent to the Applicant in its entirety.

8.03 Notification to Proceed to an Investigation

The Applicant, upon review of the Respondent's Reply to the Complaint, will provide written instructions as to whether the Complaint has been satisfied by the Reply or whether the matter should proceed to an Investigation.

8.04 Anonymous Complaints

No action will be taken on anonymous Complaints.

8.05 Complaints Filed to Other Bodies

The Applicant must also indicate whether the Complaint has been filed with any other real estate bodies (e.g., RECA).

9. MEMBER COOPERATION

All Members will cooperate fully with members of the Professional Standards Committee and process. Any Member who threatens any Member acting within the authority of the Professional Standards Committee may be subject to an Investigation that could result in disciplinary action.

10. INVESTIGATIONS

10.01 Scope of Investigation

The investigation will only evaluate the Complaint to determine whether it warrants further consideration by a Professional Standards Panel. All members shall cooperate fully with a member of an investigative team conducting an investigation.

10.02 Documents

Upon notice, a Member will produce to the Investigating Team all books, deeds, papers, accounts, writings, documents, including digital and electronic versions, and things within such Member's possession or power which may be relevant or required at any time. A Member who fails to produce any item required pursuant to this section may have his/her AREA Membership suspended or terminated by the Professional Standards Committee.

10.03 Withdrawn Complaint

In the event the Applicant withdraws the Complaint after a decision has been rendered, the Investigating Team will determine if the evidence warrants that a Hearing be held or no further action taken. Should the Complaint proceed without the presence of the Applicant, AREA will designate a Professional Standards Committee member to act as the Applicant.

10.04 Dismissal of Complaint

The Professional Standards Committee will determine in its sole discretion that no further action be taken with respect to a Complaint and the decision will be in writing and will be sent to both Applicant and Respondent.

10.05 Charges

- (a) Complaints that result in charges being laid against a Member by the Investigating Team may proceed to a Hearing.
- (b) When charges are laid as the result of an Investigation the charged party/parties will be notified in writing and must, within the provided timeframe, agree in writing to:

- i. Not admit guilt to the charges and/or the facts of the Complaint and proceed to an Inquiry Hearing where a Hearing Panel will determine guilt in the matter; or
- ii. Admit guilt to the charges and the facts of the Complaint and proceed to a Penalty Hearing where a Hearing Panel will determine the appropriate penalty based on the written evidence, including a copy of the original letter of Complaint, and the Member's history of infractions.

10.06 Confidentiality

All decisions are strictly confidential to the parties of the Investigation and Professional Standards Committee Members and will not be revealed to any other party with the exception of AREA Rule 15.01 and any governing, regulatory and/or policing bodies.

10.07 Investigation Fees

Fees for any investigator(s) appointed by the Professional Standards Committee are to be negotiated on a case-by-case basis, with travel and approved out-of-pocket expenses being reimbursed for out-of-town disputes.

11. HEARINGS – GENERAL

The following applies to all Hearing Types.

11.01 Multiple Parties Charged

When charges are laid against more than one party to a Complaint and one of the parties pleads guilty while the other pleads not guilty, the Penalty Hearing will be held after the Inquiry Hearing or Consolidated Hearing.

11.02 Notice

- (a) AREA will set a time and a place for the Hearing and will give all necessary parties written notice of the Hearing at least fourteen (14) business days prior to the date set for the Hearing.
- (b) The Broker or Broker Designate of any Applicant, Respondent or Appellant must be in attendance at all Hearings and must provide all appropriate documentation.

11.03 Failure of Respondent

Notwithstanding the failure of the Respondent to deliver a Reply or to appear at the Hearing, the Hearing Panel will proceed with the Hearing on the date set for the Hearing.

11.04 Representation

Any party to a Hearing may be represented by legal counsel and must provide AREA with written notification of legal representation fourteen (14) business days prior to a Hearing date being set. The Hearing Panel may also have legal counsel present at the Hearing for advisory purposes. Legal counsel present at any Hearing may not take an active role in the conduct of the Hearing.

11.05 Hearing Panel Composition

- (a) When charges are laid as the result of an Investigation or fourth or greater Summary Offence a Hearing Panel of 3-5 Professional Standards Committee members, including a designated Chairperson, will be established and an Alternate Hearing Chairperson designated.
- (b) A Hearing Panel will not continue with a Hearing if the Hearing Panel is reduced to less than three (3) members. The subject Hearing will terminate and AREA will give all necessary parties notice of a new Hearing at least fourteen (14) business days prior to the date set for the new Hearing.
- (c) A member of the Professional Standards Committee will not participate in a Hearing Panel if the member:
 - (i) they or their firm have a personal or a financial interest in the matter; or
 - (ii) they are the employer, the employee, or related to any party to the matter; or
 - (iii) they were on an Investigating Team or Hearing Panel which heard the matter which is the subject of the Hearing.
- (d) A party who wishes to object to the appointment of any particular Hearing Panelist must raise the objection at the beginning of the Hearing. The Hearing Panel will have the right to:
 - (i) Accept the objection;
 - (ii) Reject the objection;
 - (iii) Request reasons for the objection; or
 - (iv) Appoint another member to the Hearing Panel.

If no objection to the appointment of any member of a Hearing Panel is received the Professional Standards Committee members so appointed will be deemed to be acceptable to all parties.

11.06 Hearing Procedures

In a Hearing, the Hearing Panel may proceed in such manner as in its discretion deems advisable and may:

- (a) Adjourn the Hearing from time to time;
- (b) Proceed in such a manner as it considers proper without being bound by the rules of evidence or other legal rules, provided it will consider the best evidence available; and
- (c) Request any party to deliver a written argument to the Hearing Panel.

11.07 Hearing Recordings

Hearings will be recorded and will be retained until the decision of the Hearing Panel has been made and any penalty imposed has been completed for a minimum period of six (6) months.

11.08 Documents

Upon notice, a Member will produce to the Hearing Panel all books, deeds, papers, accounts, writings documents, including digital and electronic versions, and things within such Member's possession or power which may be relevant or required at any Hearing. A Member who fails to produce any item required pursuant to this section may have his/her Membership suspended or terminated by the Professional Standards Committee.

11.09 Evidence Produced at Hearings

The Chairperson will deliver all documents produced in evidence at a Hearing to AREA. The documents will be marked as exhibits and AREA will retain custody of such documents until any Appeal from the Hearing is held or the Appeal period has expired.

11.10 Hearing Panel Decision

- (a) The decision of the majority of the Hearing Panel will constitute the decision and will:
 - (i) Be in writing;
 - (ii) Include the reasons for the decision;
 - (iii) Be signed by the Hearing Panel Chairperson;
 - (iv) Determine whether or not a Respondent violated a Bylaw, the REALTOR® Code and/or AREA Rules;
 - (v) Specify the penalty imposed, if any, and
 - (vi) Be delivered to the parties within twenty (20) business days after the conclusion of the Hearing.
- (b) The results of the decision will be stayed until either the Appeal period has expired or, if any Appeal is commenced, until such time as the Appeal is determined.
- (c) The decision of the Hearing Panel is considered final and binding and must be communicated to the Real Estate Council of Alberta by the Respondent or Appellant.
- (d) The Hearing Panel will endeavour to resolve the dispute with fairness, justice and equity according to the established standards of practice and ethics in the real estate business, however the decision of the Hearing Panel will not be challenged for failure to conform to judicial formalities and strict rules of law.

11.11 Continuance of Hearing

The Hearing Panel which begins to sit a Hearing will continue to hear the Hearing and render a decision notwithstanding that during the timeframe the term of office on the Professional Standards Committee for one or more members of the Hearing Panel has ended.

12. HEARING TYPES

12.01 Inquiry Hearing

- (a) The Hearing Panel will be composed of a Chairperson and a maximum of four (4) Members of the Professional Standards Committee.
- (b) In the conduct of an Inquiry Hearing, the Hearing Panel will:
 - (i) Receive evidence under oath or affirmation;
 - (ii) Allow parties to call as witnesses any person who has knowledge of the facts touching the matters in question; and
 - (iii) Allow cross examination of any witness.
- (c) The Hearing proceedings include the following:
 - (i) The Recording Secretary will take the oaths or affirmations of those participating in the Hearing. Any witnesses will be sworn in when they are to appear to give testimony.
 - (ii) The Applicant will present his/her case, including documents and witnesses, if any. All evidence must be introduced during the presentation and will not be allowed to be introduced during the summary. The Respondent may then ask questions followed by questions from the Hearing Panel.
 - (iii) The Respondent will present his/her case, including documents and witnesses, if any. All evidence must be introduced during the presentation and will not be allowed to be introduced during the summary. The Applicant may then ask questions followed by questions from the Hearing Panel.
 - (iv) The Applicant will be allowed to make a final summary statement.
 - (v) The Respondent will be allowed to make a final summary statement.
- (d) The decision of the Hearing Panel can be Appealed per AREA Rule 13.

12.02 Penalty Hearing

- (a) The Hearing Panel will be composed of a Chairperson and two (2) Members of the Professional Standards Committee.

(b) In the conduct of a Penalty Hearing, the Hearing Panel will:

- (i) Receive evidence under oath or affirmation;
- (ii) Allow parties to call as witnesses any person who has knowledge of the facts touching the matters in question; and
- (iii) Allow cross examination of any witness.

(c) The Hearing proceedings include the following:

- (i) The Recording Secretary will take the oaths or affirmations of those participating in the Hearing. Any witnesses will be sworn in when they are to appear to give testimony.
- (ii) The Respondent will present his/her case, including documents and witnesses, if any including stating what he/she believes to be a suitable penalty for the infraction.
- (iii) The Hearing Panel may then ask questions.
- (iv) The Respondent will be allowed to make a final summary statement.

(d) The decision of the Hearing Panel can be Appealed per AREA Rule 13.

12.03 Multiple Rule Violations Hearing

(a) The Hearing Panel will be composed of a Chairperson and two (2) Members of the Professional Standards Committee.

(b) In the conduct of a Multiple Rule Violations Hearing, the Hearing Panel will:

- (i) Receive evidence under oath or affirmation;
- (ii) Allow parties to call as witnesses any person who has knowledge of the facts touching the matters in question; and
- (iii) Allow cross examination of any witness.

(c) The Hearing proceedings include the following:

- (i) The Recording Secretary will take the oaths or affirmations of those participating in the Hearing. Any witnesses will be sworn in when they are to appear to give testimony.

- (ii) The Respondent will present his/her case, including documents and witnesses, if any.
 - (iii) The Hearing Panel may then ask questions.
 - (iv) The Respondent will be allowed to make a final summary statement.
- (d) The decision of the Hearing Panel can be Appealed per AREA Rule 13.

12.04 Arbitration Hearing

- (a) The provisions of the Arbitration Act will apply to each Arbitration Hearing pursuant to the AREA Rules, AREA Bylaws and the REALTOR® Code, but if the provisions of the Arbitration Act are inconsistent with the express provisions of the AREA Rules, AREA Bylaws and the REALTOR® Code, the AREA Rules, AREA Bylaws and the REALTOR® Code will prevail.
- (b) Upon referring any matter to the Arbitration Hearing Panel, the AREA shall immediately obtain from the Applicant and Respondent a Consent to Arbitration signed by each of the parties. If either party to the arbitration proceeding declines to sign the Consent to Arbitration, the Hearing Panel may recommend the member's Board suspend such member or take such disciplinary action as the Hearing Panel may consider proper.
- (c) Each member agrees that if any financial dispute between members is unable to be resolved by the members involved, it will be determined by Arbitration Hearing pursuant to the provisions of the Arbitration Act and the provisions of the AREA Rules, AREA Bylaws and the REALTOR® Code. The Hearing Panel decision will be conclusive and binding on each Applicant and Respondent and the persons claiming under them except in the following situation:
 - (i) Should an Individual Member make a claim against their present or previous Brokerage Member, such Arbitration will only take place with the consent of both members.
 - A. If all parties in a current or past employee/employer relationship consent to an Arbitration, all issues brought forward will be arbitrated by the Professional Standards Committee and the award will be conclusive and binding upon the parties; or
 - B. In the case of disputes between parties in a current or past employee/employer relationship who do not consent to the Arbitration, the parties will automatically have the right to pursue any alternative remedy.
- (d) A member must file a Submission no later than one (1) year from the date upon which the cause of the claim arose.
- (e) AREA may extend any time period specified in these Rules on any Arbitration.
- (f) A Submission for Arbitration will contain:

- (i) A Filing Fee in the amount of \$500.00 in the form of a cheque payable to AREA;
 - (ii) A concise written statement of the facts regarding the dispute;
 - (iii) The name(s) of each member who is a Respondent in the Submission; and
 - (iv) The nature and amount of the Submission.
- (g) AREA will deliver a copy of the Submission to each Respondent within seven (7) business days of receipt.
- (h) Within seven (7) business days after service of the Submission to each Respondent, each Respondent will deliver to AREA his/her Submission which will contain:
- (i) A concise written statement of the facts regarding the dispute.
- (i) A Submission by the Applicant and each Submission by the Respondent will be deemed to be the Submissions in the case. If there is no Submission by the Respondent, a Submission by the Applicant itself will be deemed to be the Submission.
- (j) If a Respondent fails to deliver a Submission within the time limit, fails to appear or refuses to appear at an Arbitration Hearing, the Hearing Panel will proceed to hear and determine the Submission based on the evidence produced by the Applicant.
- (k) No dispute shall be heard and determined until the Filing Fee has been paid by the Applicant. At the discretion of the AREA, a higher Filing Fee may be charged if costs are estimated to be greater. If necessary, cost estimates may be set out in a memorandum of understanding signed by the parties.
- (l) Where the arbitration does not proceed to an Award, the Hearing Panel may, at its discretion, direct that all or any portion of the Filing Fee be returned to the Applicant. Where the Award of the Panel is wholly or partially in favour of the Applicant, the Filing Fee shall be returned to the Applicant.
- (m) Disputed monies held by parties to an Arbitration Hearing will be held in trust by the parties and dispersed according to the Decision of the Hearing Panel.
- (n) The Hearing Panel will be composed of a Chairperson and two (2) or (4) Members of the Professional Standards Committee.
- (o) All of the provisions in the AREA Rules, AREA Bylaws and the REALTOR® Code will apply to the Arbitration Hearing Panel except the Panel cannot impose penalties for contravention of the AREA Rules, AREA Bylaws or the REALTOR® Code nor determine whether a AREA Rule, AREA Bylaw or the REALTOR® Code has been contravened.
- (p) If an Applicant or a Respondent was a Member when the initiating Submission was first delivered to AREA and such Applicant or Respondent is not now a Member, the Hearing Panel will proceed to hear and determine the claim.

- (q) Notice of the chosen Panelists and the time and place of the Hearing shall be sent to the parties at least twenty (20) business days in advance of such date unless the parties thereto consent to a reduction in the time for giving such notice.
- (r) If notice of the hearing has been given to each party, it shall be the duty of each party to appear in person at the arbitration hearing at the time set for the hearing. In the event that the Applicant or the Respondent, as the case may be, fails to appear at the time set for the hearing and fails to give the AREA at least forty-eight (48) hours in advance of the time set for the hearing a bona fide reason for their inability to attend, the Arbitration Hearing Panel, at its discretion, may:
 - (i) either proceed with or adjourn the hearings; and
 - (ii) rule against the absentee party by default; and
 - (iii) assess costs against the absentee party.
- (s) In the conduct of the Arbitration Hearing, the Hearing Panel will:
 - (i) Receive evidence under oath or affirmation;
 - (ii) Allow parties to call as witnesses any person who has knowledge of the facts touching the matters in question; and
 - (iii) Allow cross examination of any witness.
- (t) The Hearing proceedings include the following:
 - (i) The Recording Secretary will take the oaths or affirmations of those participating in the Hearing. Any witnesses will be sworn in when they are to appear to give testimony.
 - (ii) The Applicant will present his/her case, including documents and witnesses, if any. All evidence must be introduced during the presentation and will not be allowed to be introduced during the summary. The Respondent may then ask questions followed by questions from the Hearing Panel.
 - (iii) The Respondent will present his/her case, including documents and witnesses, if any. All evidence must be introduced during the presentation and will not be allowed to be introduced during the summary. The Applicant may then ask questions followed by questions from the Hearing Panel.
 - (iv) The Applicant will be allowed to make a final summary statement.
 - (v) The Respondent will be allowed to make a final summary statement.
- (u) Any party making a written submission shall supply such number of copies as the Arbitration Panel may designate.

- (v) The Hearing Panel decision will be in writing, contain reasons for the decision and will determine the costs, if any, to be awarded to any party, or AREA, including the disposition of the Filing Fee.
- (w) The parties may, by mutual agreement, settle the dispute between themselves at any time. AREA is to be informed of the settlement and the arbitration process will be terminated. A decision as to the disposition of the Filing Fees will then be made by the Hearing Panel.

12.05 Decision of the Arbitration Panel

- (a) The decision made by the majority of the members of the Arbitration Panel shall constitute the decision. The Panel may:
 - (i) dismiss the Claim;
 - (ii) direct such disposition of the Claim or of the commission in dispute as to them seems proper; or
 - (iii) assess the costs of the arbitration against the Applicant and/or the Respondent in such proportion as to them seems proper, (including all reasonable and necessary legal fees incurred by the Arbitration Panel).
- (b) A decision of an Arbitration Hearing cannot be appealed.

12.06 Consolidated Hearing

- (a) All claims and disciplinary matters relating to the same subject matter be it financial, ethical and/or other matters will be consolidated at one Consolidated Hearing.
- (b) The Hearing Panel will be composed of a Chairperson and a maximum of four (4) Members of the Professional Standards Committee.
- (c) In the conduct of an Arbitration Hearing, the Hearing Panel will:
 - (i) Receive evidence under oath or affirmation;
 - (ii) Allow parties to call as witnesses any person who has knowledge of the facts touching the matters in question; and
 - (iii) Allow cross examination of any witness.
- (d) The Hearing proceedings include the following:
 - (i) The Recording Secretary will take the oaths or affirmations of those participating in the Hearing. Any witnesses will be sworn in when they are to appear to give testimony.

- (ii) The Applicant will present his/her case, including documents and witnesses, if any. The Respondent may then ask questions followed by questions from the Hearing Panel.
- (iii) The Respondent will present his/her case, including documents and witnesses, if any. The Applicant may then ask questions followed by questions from the Hearing Panel.
- (iv) The Applicant will be allowed to make a final summary statement.
- (v) The Respondent will be allowed to make a final summary statement.
- (e) The Hearing Panel will determine the commission or referral fee entitlement and consider all charges laid based on the facts of the case and in accordance with AREA Rules.
- (f) The Hearing Panel decision will be in writing, contain reasons for the decision and will determine the costs, if any, to be awarded to any party, or AREA, including the disposition of the Filing Fee.
- (g) The Arbitration portion of the Decision pertaining to the commission or referral fee entitlement cannot be appealed however penalties levied for any ethical breach(s) can be appealed per AREA Rule 13.

13. APPEALS

13.01 Appeals - General

- (a) An Applicant or a Respondent has the right to appeal a decision rendered against them by a Hearing Panel (excluding an Arbitration Hearing).

13.02 Grounds of Appeal

The Appellant can only appeal the Hearing Panel's decision on one or more of the following grounds:

- (a) The Professional Standards Committee misapplied or misinterpreted Provincial MLS® System Listing and Practice Rules for Alberta REALTORS®, Bylaws, REALTOR® Code, Code of Ethics, Standards of Business Practices; or
- (b) There was a procedural deficiency or lack of procedural due process in the initial Hearing; or
- (c) The penalty imposed was inappropriate.

13.03 Appeal Filing

- (a) To appeal a decision of a Hearing Panel, an Appellant will deliver in writing the following to AREA within twenty (20) days after AREA delivers a copy of the original Hearing decision:
 - (i) A written Notice of Appeal, including the reasons and grounds of Appeal;

- (ii) A \$500.00 filing fee in the form of a cheque payable to AREA; and
- (iii) Notice stating whether or not the Appellant wishes legal counsel to represent him/her on the Appeal.

(b) In the event of default of any of these requirements, the Notice of Appeal will not be valid.

13.04 Composition of Appeal Panel

- (a) The Hearing Panel will be composed of a Chairperson and two (2) Members of the Professional Standards Committee.

13.05 Right of Withdrawal of an Appeal

At any time prior to the Appeal Hearing being formally called to order, the Appellant may withdraw his/her Notice of Appeal by delivering written notice to AREA and the following will immediately occur:

- (a) The Hearing Panel will not hear the Appeal;
- (b) The initial decision of the original Hearing Panel is the final decision; and
- (c) If the withdrawal notice is received by AREA less than five (5) business days prior to the scheduled Hearing, AREA has the right to assess costs against the Appellant. AREA can apply the filing fee towards an award of costs.

13.06 Evidence

An Appeal Hearing is not a re-hearing. The parties will not be allowed to introduce any new evidence at the Appeal Hearing. The Appeal is to be decided solely on the evidence and the materials contained in the record of the Hearing as outlined in 13.07.

13.07 Record of Hearing

The Record of the initial Hearing will be provided to the Appellant and Hearing Panel a minimum of fourteen (14) days prior to the Hearing and includes the following:

- (a) The written Charge;
- (b) The written Reply, if any;
- (c) All notices sent to the parties by AREA and/or the Hearing Panel;
- (d) Any transcript or other summary of the evidence of the Hearing, including any tape recordings of the proceeding, if requested by the Appellant;
- (e) All Exhibits entered into evidence at the Hearing; and
- (f) The decision of the initial Hearing Panel including any reasons for the decision.

13.08 Failure to Appear

Where the Appellant fails to appear at the Hearing without sufficient cause in the opinion of the Hearing Panel, the Appeal should be dismissed. The decision of the initial Hearing Panel will be the final decision.

13.09 Conduct of the Appeal Hearing

In the conduct of an Appeal Hearing, the Hearing Panel will:

- (a) Receive evidence under oath or affirmation; and
- (b) Not permit witnesses, examination or cross-examination procedures; and
- (c) Not permit new evidence to be introduced.

13.10 Hearing Proceedings

The Hearing proceedings include the following:

- (a) The Recording Secretary will take the oaths or affirmations of those participating in the Hearing.
- (b) The Chairperson will state for the record what the Hearing is about, including the Appellant's grounds for appeal, as set out in the Notice of Appeal;
- (c) The Appellant will present his/her case based solely on his/her grounds for Appeal, without introducing any new evidence and has the onus of establishing that his/her Appeal should be allowed;
- (d) The Hearing Panel is entitled to ask questions of the Appellant; and
- (e) The Appellant will be allowed to make a summary statement.

13.11 Disposition of Appeal

The Hearing Panel makes its decision, including the disposition of the filing fee, based on the materials contained in the Record of Hearing and having regard to the Appellant's submission.

The Hearing Panel can make the following decisions:

- (a) Dismiss the Appeal;
- (b) Amend the decision of the initial Hearing panel;
- (c) Remit the matter back to the Professional Standards Committee for a new Hearing in whole or in part and, at their discretion, by a differently constituted Hearing Panel; and
- (d) Impose any of the penalties that the Professional Standards Committee has the authority to order, as specified in AREA Rules, AREA Bylaws and the REALTOR® Code. The Hearing Panel has the right to alter the amount or extent of any penalty ordered by the initial Hearing panel.

A copy of the decision of the Appeal Panel is to be forwarded by the Professional Standards Committee to the Appellant within ten (10) business days of receipt of the decision from the Appeal Panel.

The decision of the Appeal Panel is considered final and binding and may be communicated to the member's Board. In accordance with the Real Estate Council's requirements, it is the responsibility of the member to inform RECA of any penalty that may have been imposed by the Panel.

14. MEMBER COMPLIANCE WITH SANCTIONS

14.01 Failure to Comply

If a Member fails:

- (a) To comply with an Arbitration Hearing decision;
- (b) Pay any fine or cost ordered by a Hearing Panel decision;
- (c) Pay any outstanding account owing to AREA:
 - (i) Including any monetary judgement awarded by an Alberta Court against the Member;
 - (ii) Including an award for legal costs awarded by an Alberta Court against the Member;
 - (iii) Take any courses as required by the decision of the Hearing Panel; and/or
 - (iv) Comply with other such disciplinary action as required by the decision of the Hearing panel

such failure is deemed to be a breach of AREA's Bylaws. Subsequently, the party's membership may be suspended by the member's Board upon a recommendation from the Professional Standard Committee.

14.02 Court Awards to AREA

Any monetary award provided to AREA by the courts will be paid to the Member.

15. DECISIONS

15.01 Publication of Member Names

The Professional Standards Committee may, at their discretion, publish on the AREA website the name, offences and penalties of any Member who:

- (a) Have second and subsequent ethical offences within five (5) years;
- (b) Is suspended or terminated due to sanctions imposed as the result of a Hearing;
- (c) Has been sanctioned as the result of a Multiple Rule Violations Hearing; or
- (d) Have had services discontinued pursuant to 14.01.

15.02 Record of Decisions

The proceedings of each Hearing will be retained by AREA for two (2) years and the summaries, including details of the dispute and the decision of the Hearing Panel, will be available at reasonable times to all Members of the Professional Standards Committee.

15.03 Confidentiality

All decisions are strictly confidential to the parties of the Hearing and Professional Standards Committee Members and will not be revealed to any other party with the exception of 15.01 and any governing, regulatory and/or policing bodies.

16. FUNDING FOR ADMINISTRATIVE JUSTICE PROGRAM

Funds for the administrative justice program may be obtained from:

- (a) the Filing Fees;
- (b) an assessment of costs; or
- (c) at the discretion of the Board of Directors, from AREA funds.