

Louisiana REALTORS®
Executive Committee Meeting
April 1, 2010
MINUTES

Michael Indest, Derenda Grubb, Rick Roberts, Gladys F. Smith, David McKey, Bill Boyd, Beth Cristina, Mark O. Rodi, Evelyn Wolford, Frank Trapani, Connie Kyle, Matt Ritchie, Pam Testroet, Fred Huenefeld

By Conference Call: Mary Jane Bauer

Staff: Malcolm, Kyra, Amy, Kevin, Norman, Scott, Shelly

Pledge led by: Frank Trapani

Prayer led by: Connie Kyle

- I. Approved motion to revise the Financial Policies as follows:

Business Related Expenses

NAR COMMITTEE CHAIRS & VICE CHAIRS:

Chairs/Vice Chairs of NAR committees **and forums (not to include forum leadership)** shall be reimbursed at the rate of \$4,000.00 per year, upon the Association's receipt of a Travel Expense Report Form verifying attendance at the Midyear or Convention meetings of the National Association of REALTORS®, payable at a cumulative, maximum rate of \$4,000.00 during one calendar year (\$4,000.00 maximum for attendance at two (2) National meetings; \$2,000.00 maximum for attendance at one (1) National meeting). Louisiana REALTORS® shall issue a cumulative balance statement per Chair/Vice Chair after each reimbursement of expenses has been paid by the Association. A Travel Expense Report Form shall be submitted with receipts within 60 days after the expense are incurred. Receipts are required for all expenses greater than or equal to \$75.00.

2. Approved motion to add the following article to the association bylaws:

ARTICLE 26 – AMENDMENT TO BYLAWS

Section 1. These Bylaws may be amended by a sixty percent (60%) vote of the Board of Directors present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.

3. Approved motion to add the following language to Article 3 – Membership Dues of the association bylaws:

J. The annual dues of each Institute Affiliate member shall be as established in Article II of the *Bylaws of the NATIONAL ASSOCIATION OF REALTORS®*.

NOTE: The Institutes, Societies, and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate members (\$75). The National Association shall credit \$25 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25 amount will be credited to the COB, unless the Institute Affiliate member directs that the dues be distributed to the other association. The National Association shall also credit \$25 to the account of state association for each Institute Affiliate member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees, or dues for Institute Affiliate members, but may provide service packages to which Institute Affiliate members may voluntarily subscribe.

4. Approved motion to adopt the following language from NAR model bylaws for inclusion under Article 2 – Membership of the association bylaws:

Section 1. The members of this association shall consist of six classes: (1) Member Boards, (2) Association members, (3) At-Large REALTOR® members, (4) Institute Affiliate members, (5) Affiliate members, and (6) Honorary members.

Section 2. A Member Board shall be an association chartered by the National Association of REALTORS® within the state of Louisiana. All the REALTOR® and REALTOR-ASSOCIATE® members who hold primary membership in the association shall hold membership in this association and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Association members shall be either REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate members of a Member Board in good standing.

Section 4. An At-Large REALTOR® member shall be any individual engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s), and licensed or certified individuals affiliated with said REALTOR® member whose place of business is located in an area outside the jurisdiction of any Member Board who meets the qualifications for At-Large REALTOR® membership established in subsection (a) below. Secondary At-Large REALTOR® membership shall also be available to individuals who hold primary membership in an association in another state and who desire to obtain direct membership in the state association without holding membership in a local association in the state.

- (a) An applicant for At-Large REALTOR® membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the association through its membership committee or otherwise that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

*No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

**No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

- A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

NOTE: Article IV, Section 2 of the NAR *Bylaws* prohibits Member Boards from knowingly granting REALTOR® or REALTOR-ASSOCIATE® membership to any applicant who has an unfulfilled sanction pending which was imposed by another association of REALTORS® for violation of the Code of Ethics.

- (b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for At-Large REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a designated REALTOR® member of the association or a designated REALTOR® member of another association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the *Bylaws* of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership committee and shall agree in writing that if elected to membership he/she will abide by such *Constitution, Bylaws, Rules and Regulations*, and the Code of Ethics.

*No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

- A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

(c) The association will also consider the following in determining an applicant's qualifications for REALTOR® membership:

- 1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years
- 2. Pending ethics complaints (or hearings)
- 3. Unsatisfied discipline pending
- 4. Pending arbitration requests (or hearings)

5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; see Article II, Section 4(a) Note 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved.

Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

- (d) The board of directors (or its appointed designee) shall review and act on all applications for membership. An application may not be rejected without providing the applicant with an opportunity to appear before the board of directors to make such statements as he/she deems relevant. If the board of directors determines that the application should be rejected, it shall record its reasons with the secretary. If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.
- (e) The board of directors may adopt an application fee for REALTOR® membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership and which shall become the property of the association upon final approval of the application.
- (f) Designated REALTOR® members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and

obligations of membership, including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of association dues as established in Article II of the Bylaws. The "designated REALTOR[®]" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR[®] membership established in Article II, Section 4 of the Bylaws.

- (g) Any At-Large REALTOR[®] member of the association may be disciplined by the board of directors for violations of these Bylaws, the Code of Ethics, or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS[®], as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.
- (h) If a REALTOR[®] member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR[®] or REALTORS[®] in connection with its business during the period of suspension, or until readmission to REALTOR[®] membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined member, or until readmission of the disciplined member, or unless connection of the disciplined member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS[®] other than principals who are employed by or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined member or until connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR[®] member (non-principal) elects to sever his/her connection with the REALTOR[®] and affiliate with another REALTOR[®] member in good standing in the association, whichever may apply. If a REALTOR[®] member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR[®] or REALTORS[®] by the firm, partnership, or corporation shall not be affected.
- (i) In any action taken against a REALTOR[®] member for suspension or expulsion under Section 4(h) hereof, notice of such action shall be given to all REALTORS[®] employed by or affiliated as independent contractors with such REALTOR[®] member and they shall be advised that the provisions in Article II, Section 4(h) shall apply.

Section 5. Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership.

Section 6. Affiliate members shall be real estate owners and other individuals or firms who are Affiliate members of Member Boards.

Section 7. Honorary members shall be individuals other than those engaged in the real estate business who have contributed notably to this association.

5. Approved motion to accept the January-March financial statements.
6. Approved motion to contract Ernst Café for the NAR Convention reception in New Orleans. LR will sponsor \$3,388, to be funded from the Operating Account, of the contract in conjunction with a NOMAR contribution, and LR will request the remaining local boards to each sponsor \$500.
7. Approved motion to sponsor \$1,500, to be funded from the Operating Account, for the Recharge Your Power Tools event during the CCIM National Midyear Convention in New Orleans April 21-22.
8. Approved motion to uphold the decision of the Grievance Team panel to dismiss the Christenson ethics complaint based on the fact that the complaint was filed past the 180 deadline.
9. Approved motion for Louisiana REALTORS® to fund \$5,000 from the Operating Account to become a Golden R Major Donor Contributor of the National Association of REALTORS® Political Action Committee and to name the CEO as the designee.

Information

1. Staff to schedule conference call on Monday, April 19, 2010 at 10:00AM to receive audit report.