

MIDLANDS REGIONAL CIE RULES

ARTICLE 1. MEMBERSHIP

1.1. **MIDLANDS.** The Midlands Regional CIE (“CIE”) is a service provided by Midlands Regional Commercial Information Exchange LLC (“Midlands”).

1.2. **PARTICIPANT.** Each Participant of the CIE shall hold a current, valid real estate license and be classified as a principal, partner, corporate officer, or branch office manager acting on behalf of a principal.

1.3. **SUBSCRIBER.** Each Subscriber of the CIE shall hold a current, valid real estate license and be affiliated with a Participant; or shall hold a current, valid real estate appraiser’s license.

1.4. **MEMBERS.** All Participants and Subscribers are collectively referred to in these Rules as Members and shall be licensed to sell or appraise real estate in their area of operation.

1.5. **RULES.** All Members are bound by these Rules as they exist at the time of the application and as thereafter amended by Midlands, and may be disciplined for violations thereof.

1.6. **PASSWORD-PROTECTED ACCESS.** Only Members or their authorized assistants shall be allowed to access the password-protected CIE database and input property information. Members and their authorized assistants are strictly prohibited from permitting or enabling unauthorized access.

1.7. **FEES.** All Members agree to pay fees for CIE services as set by Midlands. By activating service, all members agree to a minimum six-month subscription.

2. ARTICLE 2. LISTING PROCEDURES

2.1. **VALID LISTING.** All property information is voluntarily entered in the CIE and shall be only on properties which are currently listed for sale or lease by a CIE Participant. By entering property information in the CIE, the Participant and the listing Member affirm there is a valid listing on the property which includes authorization to market the property and share information.

2.2. **MIDLANDS NOT RESPONSIBLE FOR INFORMATION.** Each Participant and listing Member is responsible for the information entered into the CIE for a property and warrants that the information is accurate and complies with fair housing laws when applicable. Member is aware that all information entered in the CIE is published without change and that the CIE does not verify the information being

entered and disclaims any liability or responsibility for its accuracy. Each Participant and listing Member agrees to hold Midlands harmless from, and pay the cost of defense, of any claim or liability arising from the information the Participant and listing Member places in the CIE.

2.3. **PROPERTY TYPES AND FILING PROCEDURES.**

2.3.1. Submission of any property information to the CIE is voluntary on the part of the Participant. Information on property for sale, lease, or exchange of any type, not considered single-family residential, located in the general region with proximity to the greater Omaha-Lincoln area may be submitted by Participants to the CIE.

2.3.2. While the CIE does not require a Participant acting on behalf of a seller or lessor to utilize a particular listing contract or other form of agreement, the CIE shall require use of a standardized property information input module to submit information on properties for sale, lease, or exchange to the CIE. The CIE does not require a Participant acting on behalf of a buyer to utilize a written buyer's agent agreement.

2.3.3. The CIE accepts information on properties which are currently listed on an exclusive right to sell or lease basis, or exclusive agency basis as well as other forms of agreement that make it possible for the Participant to market the property. A Participant submitting property information to the CIE must have a listing agreement that includes the seller's written authorization for the Participant to submit the information to the CIE.

2.3.4. Participants shall not enter information on properties taken on a net listing basis since such listings are considered unethical.

2.3.5. **Withdrawal of Filing Prior to Termination:** Filings may be withdrawn from the Exchange by the filing Participant through the submission of a written withdrawal notice signed by the Participant.

2.4. **STATUS.** Listing information entered in the CIE shall at all times be accurately placed in one of the following six categories:

- Active
- Under Contract (Transaction Pending)
- Withdrawn or Cancelled
- Leased
- Sold
- Expired

2.5. **SPECIFICATION OF PRICE.** All listings shall specify the price at which the property is being marketed unless the property is identified as being subject to auction.

2.6. **PUBLIC ACCESS.** Public display, including display on Midlands-approved third-party websites, will be made available to Active-status property information.

2.7. **REQUIRED INFORMATION.** The entry of standardized fields of property information shall include a list price, expiration date and other system-required fields of information that must be entered in the CIE for each property. If the Member does not have an ownership interest in the property, the Member shall have a written agreement with the owner of the property to market the property on behalf of the owner.

2.8. **COOPERATION AND COMPENSATION .** Property information entered into the CIE does not include an offer of cooperation or compensation to other Members. Members must arrange the terms of cooperation directly.

2.9. **EXPIRATION DATE.** Property information entered in the CIE automatically expires on the date specified in the property information unless renewed by the Member prior to the expiration date. If a property expires, an extension may be processed or the listing shall be processed as a new listing.

2.10. **INFORMATION CHANGES .** For the benefit of all Members, changes in the status, list price, or other property information shall be submitted to the CIE within three business days.

2.11. **NON-MEMBER LISTINGS WITHDRAWN.** When a Member is suspended, terminated, or voluntarily resigns from the CIE, all Active- and Under Contract-status property information of the Member will automatically be changed to a Withdrawn-status.

3. **ARTICLE 3. NEGOTIATIONS**

The filing of information with the CIE by a Participant acting on behalf of a seller or lessor does not, in and of itself, constitute an offer of cooperation. Any Participant, or licensee affiliated with a Participant, wishing to cooperate in the marketing of the property must contact the filing Participant to determine the type of cooperation offered, the compensation offered (if any) to Participants procuring a purchaser or lessee, and the terms and conditions upon which the property being offered may be shown.

Any Participant or licensee affiliated with a Participant, attempting to locate a property on behalf of a buyer must contact the Participant representing the seller/lessor to determine the

terms and conditions of cooperation, the compensation offered (if any), and to arrange showings of prospective properties.

3.1. **PRESENTATION OF OFFERS AND COUNTER-OFFERS.** A filing Participant acting as the agent of a seller or lessor shall present all offers to the seller or lessor until closing unless precluded by law, government rule, regulation, or unless otherwise agreed in writing between the seller(s) or lessor(s) and filing Participant. Unless a subsequent offer is contingent upon the termination of an existing contract, the filing Participant shall recommend that the seller(s) or lessor(s) obtain the advice of legal counsel prior to accepting a subsequent offer. Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

3.2. **RIGHT OF PARTICIPANT PRODUCING OFFER IN PRESENTATION OF OFFER.** The Participant producing the offer, or his representative, has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase, lease, or exchange. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the filing Participant. However, if the seller or lessor gives written instructions to the filing Participant that the Participant producing the offer not be present when an offer the broker secured is presented, the Participant producing the offer has the right to a copy of the seller's or lessor's written instructions. None of the foregoing diminishes the filing Participant's right to control the establishment of appointments for such presentations.

3.3. **RIGHT OF SELLER/LESSOR REPRESENTATIVE IN PRESENTATION OF COUNTER-OFFER.** The Participant representing the seller or lessor, or his representatives, has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except where the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the Participant representing the seller or lessor not be present when a counter-offer is presented, that broker has the right to a copy of the purchaser's or lessee's written instructions.

3.4. **REPORTING SALES.** Status changes, including final closing of sales, shall be reported to the CIE by the Participant within three business days after they have occurred.

3.5. **REPORTING CANCELLED PENDING SALES.** The Participant making the original filing shall report any cancelled sale, lease, or exchange to the Exchange within three business days and the property information filing shall be reinstated in the compilation of current information.

3.6. **AUTHORITY TO ADVERTISE, REPORT STATUS.** The listing agreement of a property filed with the CIE by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the CIE; to provide timely notice of status changes of the listing to the CIE; and to provide sales information including sales price to the CIE upon closing of the sale of the property.

4. **ARTICLE 4. PROHIBITIONS**

4.1. **INFORMATION FOR PARTICIPANTS ONLY.** Password access to the CIE system shall not be made available to any non-Member of the CIE, except authorized assistants while working under the supervision of a Member.

4.2. **SIGNS ON THE PROPERTY.** Only the For-Sale, For-Lease, Sold, or Leased signs of the filing Participant may be placed on the property, unless authorized by the filing Participant.

5. **ARTICLE 5. CIE FEES**

5.1. **NOTICE OF CIE FEES.** The fees charged for the CIE service are set by Midlands and may be adjusted from time to time. CIE Members will be notified of increases in fees being charged at least 30 days prior to implementation of the change.

5.2. **METHOD OF PAYMENT.** Members shall pay periodic CIE fees by utilizing electronic deductions from a bank or savings account designated by the Member, or other such method approved by Midlands.

5.3. **FAILED PAYMENT.** If a payment is not received within 10 days of its due date, the Member shall be immediately suspended from further CIE access. The suspension will remain in force until the account is paid in full, together with any bank charges assessed, or other fees established by Midlands.

5.4. **REINSTATEMENT PENALTY.** When a Member's payment fails more than once during any six-month period, due to the fault of the Member, a penalty, in an amount established by Midlands, will be assessed.

5.5. **NOTICE TO STOP SERVICE.** No refunds of monthly service fees will be made to Members. Members must give notice to Midlands prior to the last business-day of the month to stop CIE service.

6. **ARTICLE 6. DISCIPLINARY ACTION**

The following disciplinary action may be taken by Midlands against Members for the following violations:

6.1. **ACCESS**. A member or their assistant who enables a non-Member to gain unauthorized use of the CIE information, or otherwise allows a non-Member to gain password-access to the CIE system, may be terminated, suspended, and/or fined up to \$2,500 per offense.

6.2. **INACCURATE INFORMATION**. Violation of rules pertaining to a Member's failure to provide accurate information in a timely manner may result in a fine up to \$250 per offense.

6.3. **OTHER VIOLATIONS** . Violation of any other rules of the CIE can result in warnings, suspensions, terminations, or fines as determined by Midlands, based on the facts and circumstances of the case.

7. **ARTICLE 7. MANAGEMENT**

7.1. **MANAGEMENT**. All day-to-day operations of Midlands and the CIE shall be controlled by the managing board as defined in the Midlands Regional Commercial Information Exchange, LLC agreement.

8. **ARTICLE 8. ENFORCEMENT OF DISCIPLINARY ACTION**

8.1. **ALLEGED VIOLATIONS**. Midlands shall give consideration to all written complaints alleging violations of these Rules.

8.2. **VIOLATIONS AND PROCESS - REALTORS®**. If the alleged offense is a violation of the CIE Rules by a Member that is a REALTOR®, and does not involve a charge of alleged unethical conduct or a request for arbitration, it may be administratively considered and determined by Midlands, and if a violation is determined, Midlands may direct the imposition of sanctions as outlined above, provided the recipient of such sanctions may request a hearing in accordance with the procedure established for professional conduct complaints by the Primary REALTOR® association within 20 days following receipt of Midland's decision. No further appeal shall be allowed.

8.3. **VIOLATIONS AND PROCESS – NON-REALTORS®**. If the alleged offense is a violation by a Member that is not a REALTOR®, and does not involve a charge of alleged violation of one or more of the provisions of Article 14 of these rules or a request for arbitration, it may administratively be considered and determined by

Midlands. If a violation is determined, Midlands may direct the imposition of sanctions outlined above, provided that within 20 days of recipient of such sanctions, Member may request a hearing through the Professional Standards process established by the REALTOR® Association in accordance with the Association bylaws. If, rather than conducting an administrative review, Midlands has a procedure established to conduct hearings, the decision of the hearing tribunal may be appealed to the REALTOR® Association. Alleged violations of Article 14 of these Rules shall be referred to the Professional Standards process established by the REALTOR® Association except that if the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Association.

8.4. **COMPLAINTS OF UNETHICAL CONDUCT.** Complaints of alleged unethical conduct or requests for arbitration shall be referred to the REALTOR® Association for appropriate action in accordance with the professional standards procedures established in the Bylaws of the Association.

9. ARTICLE 9. OWNERSHIP OF EXCHANGE COMPILATION AND COPYRIGHT

9.1. **SUBMISSION OF INFORMATION.** By the act of submitting any property information to the CIE, the Member represents that the Member has been authorized to grant and also thereby does grant authority for Midlands to include the property information content in its copyrighted CIE compilation¹ and also in any statistical report or comparable transactions. Property information content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

9.2. **COPYRIGHT.** All right, title and interest in the CIE compilation created and copyrighted by Midlands, and in the copyright rights therein, shall at all times remain vested in Midlands.

10. ARTICLE 10. USE OF COPYRIGHTED EXCHANGE COMPILATION

10.1. **DISTRIBUTION.** Participants shall at all times maintain control over, and responsibility for, each of the CIE compilations leased to them by Midlands, and shall not distribute the compilation to anyone other than Members.

10.2. **DISPLAY.** Members shall be permitted to display the CIE compilation to prospective sellers, lessors, and purchasers only in conjunction with their ordinary

¹The term "CIE compilation" as used in Article 9 shall be construed to include any format in which property data is collected and disseminated to the Participants.

business activities of attempting to market properties or to identify suitable properties for buyers or lessees.

10.3. **REPRODUCTION**. Members shall not reproduce any CIE compilation or any portion thereof, except in the following circumstances:

- 10.3.1. Members may reproduce from the compilation and distribute to prospective sellers, lessors, and purchasers a reasonable² number of single copies of property information contained in the CIE compilation.
- 10.3.2. Nothing contained in this Article shall be construed to preclude any Member from utilizing, displaying, distributing, or reproducing property information sheets or other compilations of data pertaining exclusively to properties submitted to the CIE by the Participant.
- 10.3.3. The CIE compilation is provided for the exclusive use of Members who are authorized to have access to such information for use in the normal course of their business of selling, leasing and appraising properties.
- 10.3.4. None of the foregoing shall be construed to prevent any individual legitimately in possession of current property information, sold information, comparables, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any CIE content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. Midlands must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. Midlands may require execution of a third-party license agreement where deemed appropriate by Midlands. Midlands may require participants permitted to use such data feeds to pay a

²It is intended that the Participant be permitted to provide buyers or lessees with information relating to properties which the buyer or lessee has an interest in, or in which the Participant is seeking to promote interest. The term reasonable, as used herein, should therefore be construed to permit only limited reproduction of property information intended to facilitate the decision-making process in the consideration of a purchase, lease, or exchange. Factors which shall be considered in deciding whether the reproductions are reasonable in number, shall include, but are not limited to, the total number of filings in the compilation; how closely the filing reproduced are related to the purchaser(s) or lessee(s) expressed desires and ability to purchase or lease; whether the reproductions were made on a selective basis; and whether the type of properties are consistent with a normal itinerary of properties which would be shown to the prospective purchaser or lessee.

reasonable cost incurred by Midlands in providing the information. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules.

- 10.3.5. Each Participant shall be entitled to lease from the CIE sufficient copies of each Exchange compilation sufficient to provide the Participant and each licensee affiliated with the Participant (including licensed or certified appraisers) engaged in commercial/industrial activity with one copy of such compilation. The Participant shall pay, for each copy requested, the rental fee set by the Board. Participants shall acquire by such lease only the right to use the Exchange compilation in accordance with these rules.
- 10.4. **PUBLIC DISPLAYS.** Publicly-accessible Internet displays of Active-status CIE information is allowed on all Member websites, and other third-party websites approved by Midlands.
- 10.5. **NOTIFICATION REQUIRED.** If a Member elects to implement a publicly-accessible Internet display of Active-status CIE information they must (a) notify Midlands and make their website accessible for purposes of ensuring compliance with the Rules, (b) clearly indicate on their website that the information being provided is for consumers' personal, non-commercial use, and (c) the website must clearly identify the Member and be under the apparent and actual control of the Member.
- 10.6. **MEMBER USE OF INFORMATION .** These Rules shall in no way limit a Member from marketing the listings of their firm on the website of their choice.

11. **ARTICLE 11. LIMITATION ON USE OF CIE INFORMATION**

Information from CIE compilations of current listing information, from statistical reports, and from any sold or comparable report of the CIE may be used by Members as the basis for aggregated demonstrations or market share or comparisons of firms in public mass-media advertising or in other public representations. This authority does not convey the right to include in any such advertising or representation information about specific properties which are listed with other Members, or which were sold by other Members (as either listing or cooperating broker).

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the CIE must

clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

“Based on information from the CIE for the period (date) through (date).”

12. **ARTICLE 12. CONFIDENTIALITY OF EXCHANGE INFORMATION**

All information provided by the CIE to Members shall be considered confidential and is provided exclusively for the use of Members authorized and qualified to act as agents in the sale, lease, exchange, appraisal, or purchase of property filed with the CIE.

13. **ARTICLE 13. AGREEMENT TO ARBITRATE**

13.1 **DISPUTES OF MEMBERS.** By becoming and remaining a Member, each Member agrees to arbitrate disputes involving contractual issues and questions and specific non-contractual issues and questions defined in Standard of Practice 17-4 of the REALTOR® Code of Ethics. This obligation to arbitrate shall extend to all Members of the CIE, including non-REALTOR® Members, with Exchange Participants in different firms arising out of their relationships as Exchange Participants subject to the following qualifications:

13.1.1 If all disputants are members of the same Board of REALTORS®, or have their principal place of business within the same Board’s territorial jurisdiction, they shall arbitrate pursuant to the procedures of that Board/Association of REALTORS®.

13.1.2 If the disputants are members of different Boards of REALTORS®, or if their principal place of business is located within the territorial jurisdiction of different Boards of REALTORS®, they remain obligated to arbitrate in accordance with the procedures of the REALTORS® Association of the State.

Interboard Arbitration Procedures: Arbitration shall be conducted in accordance with any existing interboard agreement or, alternatively, in accordance with the Interboard Arbitration Procedures in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®. Nothing herein shall preclude Participants from agreeing to arbitrate the dispute before a particular local Board or Association of REALTORS®.

Awards: The obligation to arbitrate includes the duty to either 1) pay an award to the parties named in the award or 2) deposit the funds with the Professional Standards Administrator or Executive Officer to be held in an escrow or trust account maintained for this purpose. Failure to satisfy the award or deposit the funds with the association within ten days may be considered a violation of the CIE rules and may subject the participant to disciplinary action at the sole

discretion of the CIE.

13.2 **ASSOCIATION PROCEDURES** . If all disputants are members of the same local REALTOR® association or if one of the disputants is a non-REALTOR®, the parties agree to have their arbitration conducted pursuant to the procedures of the local REALTOR® association's Board of Directors.

13.3 **MORE THAN ONE ASSOCIATION** . If the disputants are members of different REALTOR® associations, they remain obligated to arbitrate in accordance with the procedures of the State association.

14. **ARTICLE 14. STANDARD OF CONDUCT FOR CIE MEMBERS**

14.1 **AGENCY RELATIONSHIP**. CIE Members shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other Members have with clients.

14.2 **SIGNS**. Signs giving notice of property for sale, rent, or lease shall not be placed on a property without consent of the seller/landlord.

14.3 **ACTING AS SUBAGENTS OR BUYER/TENANT AGENTS**. CIE Members acting as subagents or as buyer/tenant representatives or brokers shall not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing broker.

14.4 **SOLICITATION OF LISTING** . Members of the CIE shall not solicit a listing which is currently listed exclusively with another broker. If, however, the listing Member, when asked by another CIE Member refuses to disclose the expiration date and nature of such listing; i.e., an exclusive right to sell, an exclusive agency, or other form of contractual agreement between the listing Member and the client, the Member may contact the owner to secure such information and may discuss the terms upon which the CIE Member might take a future listing, or alternatively may take a listing to become effective upon expiration of any existing exclusive listing.

14.5 **SOLICITATION OF BUYER/TENANT AGREEMENT**. CIE Members shall not solicit buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant agreements. However, if asked by a CIE Member, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the CIE Member may contact the buyer/tenant to secure such information and may discuss the terms upon which the CIE Member might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement.

14.6 **COOPERATIVE TRANSACTIONS.** If compensation is offered in a cooperative transaction, CIE Members shall compensate cooperating CIE Members (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other CIE Members without the prior express knowledge or consent of the cooperating CIE Member.

14.7 **GENERAL COMMENTS .** Members are not precluded from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another Member. A general telephone canvass, general mailing or distribution addressed to all prospects in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed “general” for purposes of this rule. The following types of solicitations are prohibited:

Telephone or personal solicitations or property owners who have been identified by a real estate sign, CIE compilation, or other information service as having exclusively listed their property with another Member; and mail or other forms or written solicitations or prospects whose properties are exclusively listed with another Member when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, “for sale” or “for rent” signs, or other sources of information intended to foster cooperation with Members.

15. **ARTICLE 15. CHANGES IN RULES AND REGULATIONS**

Amendments to the rules and regulations of the CIE shall be by a majority vote of Midlands.

NAR Reviewed: April 12, 2017
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