

## Compliance Department - Data Validation Standard Operating Procedures

---

The MRED Compliance Department reviews the contents of the MRED database to ensure that MRED customers adhere to the MRED Rules and Regulations, set forth by the MRED Board of Managers. The MRED Compliance Department is available Monday through Friday, 8:30 a.m. to 5:00 p.m. at (630) 955-0011 or [rules.regs@mredllc.com](mailto:rules.regs@mredllc.com).

You can find a copy of the Rules and Regulations Manual, MRED Glossaries and MRED's Room Counting Publication by logging onto MREDllc.com → Rules and Photos → Rules and Regs.

### Listing Verification

The MRED Compliance Department reviews all new listings on a daily basis using a program embedded into the connectMLS (cMLS) system called the Listing Validator.

Upon input of a listing, the Listing Validator program reviews the following fields for data compliance:

| <i>Field Name</i>               | <i>Listing Validator/Staff Action</i>   |
|---------------------------------|---|
| <b>Residential Properties:</b>  |   |
| Cooperative Compensation        | Listing Validator flags verbiage that is not on the approved list for staff's manual review.  |
| Lot Dimensions                  | Listing Validator flags verbiage that is not on the approved list for staff's manual review.  |
| Failure to Report A New Listing | Listing Validator flags listings that were not entered within 72 hours.   |
| Parcel Identification Number    | The listing Validator matches the address entered to the ISI tax record.  |
| Remarks                         | The Listing Validator has key words flagged for manual review to find: open house/sales center information, age discrimination, agent compensation information and agent contact information. |

Showing Instructions Listing Validator flags the phrase "no showings" for staff's manual review.

### Commercial Properties:

Failure to Report A New Listing Listing Validator flags listings that were not entered within 72 hours.

List Price Staff manually reviews the list price field to ensure a rental price was not entered.

Rental Price (per SF/yr) Staff manually reviews the rental price field to verify that a monthly rental price or sale price was not entered into this field.

Lot Dimensions Listing Validator flags verbiage that is not on the approved list for staff's manual review.

Parcel Identification Number The Listing Validator matches the address entered to the ISI tax record.

Cooperative Compensation Listing Validator flags verbiage that is not on the approved list for staff's manual review.

Remarks The Listing Validator has key words flagged for manual review to find: open house/sales center information, age discrimination, agent compensation information and agent contact information.

The Listing Validator flags potential violations, which are then manually reviewed by MRED Staff. If an error is found, a "Listing Violation Notification" notice is emailed and posted via cMLS to the attention of the Broker/Manager, Listing Broker and Secretary Staff. The notice informs the recipients that a correction needs to be made within 72 hours, unless otherwise specified as an automatic fine. It is the responsibility of the Broker/Manager to ensure the correction is made. After the 72-hour time period, the Compliance Department will check the listing for the correction. If the correction was made accurately, the Brokerage office will not hear back from the Compliance Department. If the correction is not made or errors still exist, a courtesy call or email will be placed to the violating office requesting the change be made within 24 hours to avoid an assessment of a fine; if the correction is not made within 24 hours, a "Notice of Assessment of Fine" will be posted via cMLS.

## Customer-Identified Errors/Violations

If a Customer identifies inaccurate or incomplete information within a listing, a Quality Control Complaint (a “Complaint”) may be filed with the Compliance Department. MRED will maintain the confidentiality of the identity of the Customer submitting the complaint.

Customers may file no more than one complaint per property via the cMLS system. The complaint must identify all the violations identified on that specific property. Customers may notify the Compliance Department of inaccurate information displayed on a listing by:

A. Clicking on the Report Violation Anonymously link on the listing screen. Customers should fill out the information pertaining to the rules violations and click Report Violation

B. Customers may email the complaint to [Rules.regs@mredllc.com](mailto:Rules.regs@mredllc.com) for violations of the following rules (all other complaints must be submitted through the Report Violation Anonymously link in cMLS):

- **SECTION 6.1.1: PHOTOGRAPHS-** Using photos without written permission from the intellectual property owner is strictly prohibited. Violation of this rule will result in an automatic \$250.00 fine per occurrence. The complaining firm must submit proof (i.e. copy of prior listing with copies of original photos, invoicing for photos) of a violation to this rule to the Service before a notice will be sent to the listing firm.
- **SECTION 26.1: MRED DIGITAL MILLENNIUM COPYRIGHT ACT (DCMA) POLICY-** The DMCA specifies that all infringement claims must be in writing (either electronic mail or paper letter) and must include the following:
  - A physical or electronic signature of the copyright holder or a person authorized to act on his or her behalf;
  - A description of the copyrighted work claimed to have been infringed and multiple copyrighted works at a single online site are covered by a single notification, a representative list of such works at that site;
  - A description of the material that is claimed to be infringing or to be the subject of infringing activity, and information reasonably sufficient to permit the service provider to locate the material;
  - Information reasonably sufficient to permit the service provider to contact you, such as an address, telephone number, and, if available, an electronic mail address;
  - A statement that you have a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law; and
  - A statement that the information in the notification is accurate, and under penalty of perjury, that you are authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.
- **SECTION 30: REPRODUCTION-** MRED prohibits the delivery of Agent Only Information. Copy of report required to file this complaint.

Once a valid complaint is received, the Compliance Department classifies the violation as an automatic error, a quality control issue, an error that can be fixed by the MRED staff, or dismissed as an invalid or mistaken complaint. Complaints will be dismissed as invalid or mistaken when, for example, they concern the listing agent’s reasonable interpretation of a listing’s information, or that the MRED staff determine are reasonably compliant with the MRED Rules and Regulations. The appropriate “Violation Notification” is then emailed and posted via cMLS to the Broker/Manager, Listing Broker and Secretary Staff of the listing office.

MRED staff will prioritize the workload daily to ensure that Customers have the highest quality data available to them. MRED staff will not follow up with the Customer that reported the error.

Customers are prohibited from using the cMLS system, or otherwise submitting complaints, to harass MRED Customers or MRED staff. This includes but is not limited to:

- Reporting duplicate violation notices on the same property
- Using profanity when reporting a complaint
- Submitting complaints in a manner inconsistent with this Operating Procedure

If MRED staff identifies this type of conduct, all such communications and complaints from the Customer will be dismissed and the Customer will be prohibited from submitting complaints for 12 months.

## Notification of Listing Change Procedures

The Compliance Department reviews every new listing, every day, to check that each listing conforms to our requirements. Many times, minor typing mistakes during listing input can result in incorrect or missing information on a new listing.

MRED staff will use our resources; tax data base, county websites, census maps, Rand McNally Street Guide and the Turner's Chicagoland Street Guide to assist with correcting these minor errors.

After the verification of the data is made the correction will be processed and a notification of listing change will then be posted via cMLS to the Broker/Manager, Listing Broker and Secretary Staff of the listing office.

Changes will be processed for the following fields:

|                                |                             |                    |
|--------------------------------|-----------------------------|--------------------|
| <b>Acreage</b>                 | <b>Map Coordinates</b>      | <b>Tax Year</b>    |
| <b>Area Number</b>             | <b>Ownership</b>            | <b>Taxes</b>       |
| <b>Assessor Square Footage</b> | <b>Remarks</b>              | <b>Township</b>    |
| <b>Compass Point</b>           | <b>School District</b>      | <b>Unit Number</b> |
| <b>County</b>                  | <b>Subdivision Name</b>     | <b>Year Built</b>  |
| <b>House Number</b>            | <b>Street Name (suffix)</b> | <b>Zip</b>         |
| <b>Lot Size</b>                |                             |                    |

## Notice of Assessment of Fine/Additional Fines

If a Broker/Manager does not change a listing within 72 hours of receiving a listing violation notification, or commits an automatic fine violation, a “Notice of Assessment of Fine” will be emailed and posted to cMLS to the Broker/Manager, Listing Broker and Secretary Staff near the end of the month. The notice states the office is in violation of section 9.2 of the Rules and Regulations and has the option to appeal the fine. If the fine is not appealed, the local Board/Association will invoice the office for the amount of the fine.

Failure to correct a listing within 30 days after “Notice of Assessment of Fine” is sent, results in an additional \$200 fine. Thereafter, another \$200 fine is levied every 30 days if the entry is not corrected.

## Filing an Appeal

If a Broker wishes to appeal a fine or other penalty, an appeal must be filed with the Rules Enforcement Committee on a Request for Appeal form within 20 days of the fine being levied. The form needs to be sent with payment of the fine and a letter of facts or evidence for appeal. If the violation is not an automatic fine, the form also needs to be accompanied by proof of the correction.

Once the information is received the appellant has the option to appear before the Appeal Hearing Panel to explain the reason for the appeal. Upon hearing the appellant, the Panel has the option to waive the fine or to uphold the decision of the Rules and Regulations Department.

## Filing an Appeal to the Board of Managers

Within 20 days of the decision of the Appeal Hearing Panel, an appellant may file an appeal to the MRED Board of Managers. This request for review should cite any alleged procedural deficiencies or irregularities the appellant believes constitutes a deprivation of due process, or any other factors to be considered by the Board of Managers. A \$95.00 appearance fee must be received by MRED within the aforementioned 20 days before the appellant is placed on the agenda. The fee is totally refundable if the appellant appears when scheduled.