

Schedule of Processing Fees for Rule Violations Effective October 21, 2021

This schedule is in addition to the Schedule of Fees and Charges. All correspondence related to rules, including reporting of potential rule violations, should be sent to rules@hiinfo.com. This schedule may include references to MLS rules and policy and/or summaries, such information is included for convenience only; please consult the HIS Rules and Regulations for full policies.

CATEGORY 1 VIOLATIONS

Category 1 violations mean rule violations relating to listing information provided by a participant or subscriber. For each violation:

- Initial Notice: Email to listing agent, copying principal broker, 48 hours to remedy.
- Second Notice: Email to listing agent and principal broker, phone call to listing agent, 48 hours to remedy.
- Final Notice: Invoice for processing fee issued to listing agent, payment required within 48 hours.

Delinquent change of status or submittal of sold information. All status changes must be submitted to the service within one (1) business day of the change.	\$500 for the first instance \$2,000 for each subsequent instance
Delinquent submittal of listing photo. A photo of the listed property must be loaded to the listing record within one (1) business day of the listing release.	\$500 for the first instance \$2,000 for each subsequent instance
Omission of required listing elements; listing of property as the wrong type; inaccurate data; omission of required disclosures; disclosures in the wrong sections; duplicate listings.	\$500 for the first instance \$2,000 for each subsequent instance
Inclusion of prohibited content in the public remarks field, photos, or unbranded video tours attached to listing records.	\$500 for the first instance \$2,000 for each subsequent instance
Inclusion of content for which the subscriber does not have ownership rights.	\$500 for the first instance \$2,000 for each subsequent instance <i>Subscriber also indemnifies, defends and holds the service harmless from any claim resulting from subscriber's submission of content to the service that infringes on the copyrights of any third party.</i>
Failure to provide required records or copies of contracts or documents to HIS within three (3) business days of request.	Suspension or cancellation of service

CATEGORY 2 VIOLATIONS

Category 2 violations mean rule violations relating to IDX and VOW data and displays.

- Initial Notice: Email to listing agent, copying principal broker, 48 hours to remedy.
- Second Notice: Email to listing agent and principal broker, phone call to listing agent, 48 hours to remedy.
- Final Notice: Invoice for processing fee issued to listing agent, payment required within 48 hours.

Required display of participant's brokerage branding, clear and conspicuous at the top of the page, larger than that of any third party (HIS 10.18), including the brokerage firm's full name or logo linking the name or logo to the brokerage firm's home page to communicate that the brokerage is the source of the data (HIS 10.19).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Prohibited co-mingling of MLS IDX data with non-MLS (i.e. FSBO) listings (HIS 10.26) or with other MLS IDX data without complying with each respective MLS' IDX rules (HIS 10.25).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Required separation between data supplied by the MLS and any additional information used to augment MLS listing information, with sources clearly identified (HIS 10.09).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Required display of contact information (e-mail address, telephone number, etc.) prominently displayed (HIS 11.04), to receive comments about the accuracy of any data or information for a specific property, which shall be corrected and removed upon notice (HIS 10.30).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance

Required display of listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data (HIS 10.05).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Required attribution of the MLS as the source of the information, wherein displays of another participant's listing must bear the service's copyright ("© 201_ MLS Hawaii, Inc. All rights reserved.") immediately following the property information (HIS 10.15 & HIS 10.11).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Required disclaimer that IDX information is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS (HIS 10.13).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Required display of the date and time of the last data update, which must be refreshed at least once every 12 hours (HIS 10.08).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Prohibited comments, reviews, or AVMs for any listing for which the seller has opted out (HIS 10.29).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Prohibited modification of any MLS listing information of any other participant as provided in the service (HIS 9.07).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Prohibited display of confidential listing information (i.e. private remarks, including showing instructions, property security information, type of listing agreement, etc.); preview, expired and withdrawn listings; or seller or occupant names, phone numbers, and email addresses (HIS 10.04).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Deceptive or misleading advertising, including cobranding, i.e. the participant's logo and contact information is not larger than that of any third party (HIS 10.18).	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance
Misuse or unauthorized sharing of HIS data, including by third parties and affiliates.	\$2,000 for the first instance \$10,000 for the second instance Suspension or termination of service for the third instance

CATEGORY 3 VIOLATIONS

<p>Category 3 violations mean rule violations relating to cooperation with a fellow participant or subscriber, and mandatory submission of listings to the service.</p> <ul style="list-style-type: none"> • Initial Notice: Email to listing agent, copying principal broker, 48 hours to remedy. • Second Notice: Email to listing agent and principal broker, phone call to listing agent, 48 hours to remedy. • Final Notice: Invoice for processing fee issued to listing agent, payment required within 48 hours. 	
Failure to submit property to the MLS or to submit the Certificate to Withhold Property from the MLS to HIS within one (1) business day of the effective date of contractual agreement with seller.	\$10,000 and suspension for up to 90 days for the first instance \$15,000 and suspension for 6 months to 3 years for the second instance
Failure to distribute property via the MLS within one (1) business day of public marketing of the property in accordance with the Clear Cooperation Policy (HIS 3.00). *	\$10,000 and suspension for up to 90 days for the first instance \$15,000 and suspension for 6 months to 3 years for the second instance
Submission of property without contractual agreement with seller.	\$10,000 and suspension for up to 90 days for the first instance \$15,000 and suspension for 6 months to 3 years for the second instances
<p><i>* Clear Cooperation Policy (NAR Policy 8): "Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. [...] 'Private listing networks' that include more brokers or licensees than those affiliated with the listing brokerage constitute public advertising or display pursuant to Policy Statement 8.0. Listings shared in multi-brokerage networks by participants must be submitted to the MLS for cooperation."</i></p>	

Clarifications & Disclaimers

- "Second instance" and "subsequent instance" mean an additional occurrence within the same calendar year of the first instance.
- Subscribers are responsible for correcting rule violations and cannot rely on HIS to make changes on their behalf.
- HIS reserves the right to remove any listings from the listing database that is in violation of the rules.
- HIS may submit sold information for listings on behalf of subscribers based on sale data available via public records, including listings of terminated or suspended subscribers.
- Service may be suspended or terminated due to repeated violations or for non-payment of processing fees when due.

Terms & Definitions

Inaccurate Data – Inaccurate information that has been entered into the HIS database by subscribers. Only information that can be verified by a third-party source (i.e., tax records) will be considered inaccurate data. Fair Housing violations are included.

Inclusion of prohibited content in the public remarks fields, photographs and video tours attached to listing records – Fields designated by the service as public remarks fields and attachments to listings records accessible by the public may only contain descriptions of the physical traits of the listed properties. Inclusion of any marketing, promotional messages or contact information is prohibited. Photographic images and video/virtual tours shall only contain depictions of the physical characteristics of the listed property. Images of "for sale" signs and pictures of person are expressly prohibited. This prohibition also bans the inclusion of hyperlinks, website or URL addresses to websites or web pages that contain marketing, promotional messages, contact information or banned images.

Inclusion of content for which the subscriber does not have ownership rights – Subscribers assign to the service or grant licenses to the service those rights in copyrights in the listing content they submit to the service. Subscribers warrant that they have the authority to assign or license those rights to the service. In the event that there is a claim or charge of copyright infringement caused by content submitted by a subscriber, the subscriber indemnifies, defends and holds the service and other subscribers harmless against such claims and charges.

Omission or Inaccurate Entry of Required Listing Elements - In accordance with Section of 3.12 of the Rules and Regulations, each listing must include the Required Listing Elements. (See MLS Rules and Regulations)

Failure to list property – A listing must be entered into the system within one (1) business day of execution of a contractual agreement with the seller. If a listing is not entered into the system or a Certification to Withhold Property from the MLS form is not sent to HIS within that time frame, processing fee shall be assessed. As provided in the Rules and Regulations, HIS reserves the right to request a copy of any and all listing contracts or agreements.

Submittal of Listing Without Seller's Written Authorization – A listing contract including the seller's written authorization is required prior to entering the listing into the system. As provided in the Rules and Regulations, HIS reserves the right to request a copy of any and all listing contracts or agreements.

Delinquent Change of Status – Any changes to the status must be entered into the system within one (1) business day. Failure to do so shall result in the applicable fee being invoiced.

Note: A listing must be placed in C/Contingent or U/Under Contract status upon the acceptance of an offer, signing of a purchase contract/agreement by buyer and seller, or if the listed property is in escrow. The C/Contingent or U/Under Contract listing may not be returned to Active status until the purchase contract/agreement and escrow are completely cancelled. This rule is not subject to any condition or any agreement with either or between the seller and buyer.

Delinquent Submittal of Listing Photo – At least one photograph of the property must be posted with each listing entered into the system regardless of status or type. If a photo is not posted within one (1) business day of listing entry date, the Subscriber will be notified and given 48 hours (excluding weekends and holidays) to submit a photo. Failure to do so shall result in the applicable fee being invoiced.

Misuse of HIS Information – May include, but not be limited to, the sharing of HIS information with unauthorized parties, allowing unauthorized access to the service or unauthorized reproduction or publication of listing information. HIS information may not be used in the creation and sale of derivative products or sold or licensed to any third party.

Failure to provide required records or copies of them to HIS – Subscriber is required to maintain documentation on each listing entered into the system for a period of no less than one year after the expiration or sale of each listing, whichever is later. These records or copies of them must be provided within three days of the service's request for them.

NAR Handbook on Multiple Listing Policy

Enforcement of Rules, Section 5: MLS Disciplinary Guidelines

Associations of REALTORS® and their multiple listing services have the responsibility of fostering awareness, understanding, and appreciation for the duties and responsibilities of MLS participants and subscribers, and of receiving and resolving complaints alleging violations of the rules and regulations. The REALTOR® organization is firmly committed to vigorous, fair, and uniform enforcement.

Progressive Discipline: Discipline imposed for violation of the rules should be progressive. The severity of discipline should increase incrementally for subsequent violations. The disciplinary emphasis where first time violations occur should be primarily educational. Repeated or subsequent violations should result in more serious forms of discipline being utilized, including substantial fines, suspension, and termination of MLS rights and privileges.

Administrative Sanctions: The following is guidance for issuing administrative sanctions for MLS rule violations:

- Category 1 violation means a rule violation relating to listing information provided by a participant or subscriber.
- Category 2 violation means a rule violation relating to IDX and VOW displays.
- Category 3 violation means a rule violation relating to cooperation with a fellow participant or subscriber, and mandatory submission of listings to the service.

Fines: MLSs are encouraged to use the MLS Schedule of Fines Table provided in Appendix 4 to establish standardized administrative sanctions for violations of the MLS rules.

Scope: Potential violations of the MLS rules will be processed in accordance with MLS Policy Statement 7.21, and under the process provided for in Section 9 of the NAR model MLS Rules and Regulations. Potential violations of a data license agreement are not governed by NAR policy and will thus follow the terms for resolution in the agreement itself.

Appendix 4: MLS Schedule of Fines for Administrative Sanctions

MLSs may adopt all or some of the MLS Schedule of Fines for Administrative Sanctions. Fines for each offense, as well as any possible training requirements, must be established in advance and should be followed consistently.

MLSs, at their discretion, may adopt an escalating fine schedule for repeat violations and also may impose a training requirement in addition to or as an alternative to payment of a fine for any of the offenses listed. If an escalating fine schedule is adopted, it may only be used in circumstances where sanctions are issued by the same MLS.

The amount of a fine for any offense is at the option of the MLS. MLSs are encouraged to review the MLS Disciplinary Guidelines found in Enforcement of Rules, Section 5: MLS Disciplinary Guidelines of the NAR Handbook on Multiple Listing Policy for guidance on applicable and appropriate sanctions.