

CAR Legal & Risk Division Report

CAR Leadership Symposium – October 2025

Division VP, Courtney Peel

The Legal & Risk Division includes Professional Standards, Core Standards, and Local Association services and Support. Legal & Risk Committees include Professional Standards and Grievance Committees; also includes the MLS and Risk Management Forums.

PROFESSIONAL STANDARDS

The Legal & Risk Division administers CAR's Statewide Professional Standards Program. This program offers local associations the opportunity to have their professional standards programs administered by CAR for a minimal annual fee. Sustaining an effective professional standards program, which includes ethics enforcement and dispute resolution services in compliance with NAR's policies and procedures, can demand considerable staff resources. The Statewide Program is a valuable board service, as it enables local associations to fulfill NAR's professional standards requirements without needing to hire additional staff or dedicating staff time to administer professional standards at the local level. Additionally, the program is beneficial because of CAR's diverse pool of trained hearing panel members from across the state. This diversity helps prevent conflicts of interest and impartiality issues that can arise when managing these programs at the local level.

Currently, 26 out of the 28 local associations in the state use the Statewide Program. This means CAR's Legal & Risk Division handles most ethics complaints and arbitration requests filed in Colorado. The Division continues to see a rise in ethics complaints and consumer inquiries each year. To manage this increased demand, the Division strengthened our Ombuds Program. Our Ombuds volunteers have proven highly effective at resolving disputes before they escalate into formal complaints—helping to keep our caseload more manageable and boosting the REALTOR® reputation.

Although ethics complaints and Ombuds Requests have increased, the number of arbitration requests filed continues to decline due to the MLS practice changes that went into effect last year.

CAR CASE STATISTICS

Year-to-date, CAR has received 72 cases and held 11 hearings. At this time last year, we had received 42 cases and held 16 hearings. The number of cases has increased by 40% compared to last year.

ETHICS Year-to-Date:

- 70 ethics complaints received
 - 51 filed by consumers (73%), 19 filed by REALTORS® (27%)
- CAR's Grievance Committee forwarded 16 complaints to hearing, dismissed 13, issued 7 citations, and held 3 complaints in abeyance. Five complaints are on the agenda to be reviewed by the Grievance Committee at their next meeting, and 26 complaints were either withdrawn

before the Grievance Committee's review or the Complainants failed to respond.

- 11 ethics hearings have been held; no ethics appeal hearings have been held
- Article 3 was the most violated, followed by Articles 1 and 12
- 21 Ethics cases are open in various states of the ethics process

ARBITRATION Year-to-Date:

- 2 arbitration requests received
- The Grievance Committee forwarded both requests to hearing
- No arbitration hearings have been held YTD, but 1 is scheduled.
- 1 arbitration case is currently open

ETHICS & PROFESSIONAL STANDARDS TRAINING

To ensure proper training of the Professional Standards Committee, Grievance Committee, and Tribunal Members, the Legal & Risk Division offers the 6-Hour Professional Standards Enforcement Training twice a year – once in the fall and once in the spring, giving members multiple opportunities to complete this required training. This year's fall training will be a virtual course held November 4 & 5, which will be instructed by CAR General Counsel Scott Peterson, with assistance from CAR's Professional Standards Administrators, Lauren Feigin, Ryan Summers, and Stacey Overman. This 6 CE credit course is offered free of charge to members of CAR's Professional Standards and Grievance Committees and also fulfills NAR's ethics training requirement.

The Legal & Risk Division also held its annual Ethics Day virtual ethics training on June 17, 2025. This annual class gives members an opportunity to earn CE credit and fulfill their NAR ethics training requirement.

The Grievance Committee continues to meet monthly via Zoom to review ethics complaints and arbitration requests.

The Appeals and Ratification Panel continues to meet monthly via Zoom to ratify ethics Hearing Panel decisions and review appeals.

BOARD OUTREACH & SUPPORT

The Division holds monthly virtual meetings with the local association AEs to maintain a consistent dialogue between the local and state associations. At the monthly meetings, we share information about upcoming events and initiatives, discuss issues impacting the industry, and work together to ensure we

provide valuable benefits and services to members at both the local and state levels. Between the monthly meetings, the Division shares announcements, updates, and information with the AEs via regular “AE Info-Drop” emails.

CAR continues its Board Outreach by visiting local associations and participating in local association events. During these in-person opportunities, CAR promotes its value proposition and member benefits.

CAR held its annual AE Symposium at the Hotel Alpenrock in Breckenridge from July 15-17, 2025. This event is an opportunity for AEs from across the state to come together to connect with one another, learn from engaging speakers, and strengthen and develop the collaboration efforts between the local boards and the state association. This year’s AE Symposium featured keynote speaker James Dwiggins, who presented the top five real estate trends and how they will impact REALTOR associations. Additionally, we heard from other speakers on topics including succession planning, AI tools, dealing with conflict, and more. On the last day, we were joined by Jarrod Grasso, NAR’s Senior Vice President of Industry Relations, who led a discussion on the challenges AEs are facing and where NAR can offer support to local associations. AEs can fulfill the six hours of annual professional development required under Core Standards by attending the AE Symposium.

CORE STANDARDS

To support local associations with Core Standards, the Legal & Risk Division provides information and resources on Core Standards to AEs during each compliance cycle. In May, we held a Core Standards review session where Daniel Doepke, NAR’s Director of Member Policy, gave an overview of the Core Standards criteria and the changes implemented this year. CAR also offers various classes, webinars, and events throughout the year that local associations can use to meet different Core Standards requirements. Additionally, the Division provides a preliminary review of each local association’s Core Standards Certification Form before final submission and offers progress reports to highlight areas needing attention.

RISK MANAGEMENT & MLS FORUMS

CAR will be holding a Risk Management Forum and an MLS Executive meeting during the 2025 Leadership Symposium. The Risk Management Forum will be led by Scott Peterson, who will be joined by guest attorneys offering an informative and engaging session on common risk management scenarios that REALTORS® may encounter and how to address them. The MLS Executive meeting will be an open discussion among MLS leaders.

CAR continues to produce “Legal Bites” – short videos discussing real estate-related legal issues presented by Scott Peterson.

The Legal & Risk Division is projected to operate within the approved 2025 Budget.