

LEGAL & RISK DIVISION REPORT
Colorado Connections – April 2026
Legal & Risk Division VP, Donna Major

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.

STATEWIDE PROFESSIONAL STANDARDS PROGRAM

The Legal & Risk Division administers CAR's Statewide Professional Standards Program, a cooperative program that allows local associations to delegate, by agreement, the administration of ethics complaints, mediation, and arbitration requests to CAR and its statewide Grievance and Professional Standards Committees. The Aspen Board of REALTORS® was the most recent addition to the program, joining at the beginning of the year. There are now 27 of the 28 local associations in the state that participate in the Statewide Program.

Operating an effective professional standards program in compliance with NAR policies requires significant time, training, and staffing. The Statewide Program provides a meaningful benefit to local associations by allowing them to meet these obligations without allocating additional staff or internal resources. By centralizing these functions, local associations are better positioned to focus on their core services, including education, advocacy, and member engagement, etc., while CAR's Professional Standards Administrators ensure consistent, timely, and impartial handling of ethics complaints and arbitration matters.

A key strength of the program is its broad, statewide pool of trained hearing panelists. This diversity enhances the integrity of the process by reducing the likelihood of conflicts of interest or partial decision-making—challenges that can be more difficult to avoid at the local level.

As participation in the Statewide Professional Standards Program continues to grow, the Division has strategically expanded its Ombuds Program to help manage increased demand. Ombuds volunteers play an important role in resolving disputes early, often preventing matters from escalating into formal complaints. This has helped contain caseload growth while also supporting a more positive public perception of REALTORS®. Interest in the Ombuds Program has grown, and efforts are underway to refine reporting processes and further expand capacity to build on its success.

CAR CASE STATISTICS

The Division has observed a continued rise in ethics complaints and Ombuds Requests, whereas arbitration requests have nearly ceased, largely due to the MLS practice changes enacted after the NAR settlement.

Last year, the Division handled 90 complaints, 41 Ombuds requests, and conducted 14 hearings. So far this year, we've received 25 complaints, 14 Ombuds requests, and held 5 hearings.

2025 TOTALS:

➤ **ETHICS**

- **88** Ethics Complaints filed
 - An increase of ***nearly 200%*** compared to 2024!
 - 80.7% filed by consumers, 19.3% filed by REALTORS®
- **41** Ombuds Requests received
 - 83% success rate
- **178** Additional Inquiries
- **7** Citations issued
- **13** Ethics hearings held
 - **Most violated: Article 12** - *Be honest and present a true picture in marketing & real estate communications*
 - Followed by:
 - **Article 1** - *Protect, promote the client's interest, and treat all parties honestly*
 - **Article 3** - *Cooperate with other brokers*

➤ **ARBITRATION**

- **2** arbitration requests filed
- **1** arbitration hearing held
- **0** Procedural Reviews requested

YEAR-TO-DATE: (as of 4/24/26)

➤ **ETHICS**

- **25** ethics complaints received
 - 15 filed by consumers (60%), 10 filed by REALTORS® (40%)
- **14** Ombuds Requests received
- **29** Additional Inquiries
- Grievance Committee Decisions:
 - **6** complaints forwarded to hearings
 - **3** complaints dismissed
 - **1** citation issued
 - **1** complaint held in abeyance
- **5** ethics hearings held; **4** hearings scheduled for upcoming months

- **Most violated: Article 16** - *REALTORS® shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other REALTORS® have with clients.*

➤ **ARBITRATION**

- **0** arbitration requests filed
- **0** Reviewed by Grievance Committee
- **0** arbitration hearings held

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 – providing members with multiple opportunities to complete this required training. The Division held this year's spring training on March 11 and 12, with instruction from CAR General Counsel Scott Peterson and 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.

We will hold our annual Ethics Day virtual training on June 4, 2026, to give 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 will be holding its annual AE Symposium at the Hotel Colorado in Glenwood Springs from July 21-23, 2026. 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. The AE Symposium provides AEs with the six hours of professional development they must complete annually for Core Standards.

CORE STANDARDS

To support local associations in implementing Core Standards, the Legal & Risk Division provides AEs with information and resources on Core Standards during each compliance cycle. 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

During the 2026 Colorado Connections, CAR General Counsel Scott Peterson will present his "10 Things" class, and attorney Damian Cox will lead a "Legal & Risk for REALTORS" class. The Risk Management Forum will be held at the Leadership Symposium in October.

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 2026 Budget.