

**C.A.R.'s LEGAL HOTLINE:  
CALLER RESPONSIBILITIES AND C.A.R. CONFLICT POLICY**

C.A.R. members ("Members") receive, as a benefit of membership, free access to the Legal Hotline ("LHL") for legal advice relating to their activities as real estate licensees ("Access"). The LHL is not a prepaid legal service. Members calling the LHL agree to be bound by the member responsibilities, and subject to the C.A.R. Conflict Policy ("Policy") as explained below.

Just as real estate licensees are subject to the regulations of CalDRE, and REALTORS® are subject to the National Association of REALTORS'® ("NAR") Code of Ethics, and the members of an Multiple Listing Service ("MLS") are subject to the MLS Rules for the particular MLS to which they might belong, all C.A.R. attorneys ("Attorney"), as members of the State Bar of California ("BAR"), are subject to the Rules of Professional Conduct of the BAR ("Attorney Rules").

Like NAR, which has created Model MLS Rules that each MLS may adopt in their entirety, or in their own version, the American Bar Association ("ABA") has created a set of Model Rules of Professional Conduct for attorneys ("Attorney Model Rules"), which each state may adopt in their entirety, or in their own version. In accordance with the above, C.A.R. has adopted the following Policy with respect to use of the LHL.

A C.A.R. Attorney may refuse to give advice to a Member on the LHL if the Attorney, exercising his/her professional discretion, has determined that a conflict exists or may exist ("Conflict") in accordance with: (a) the Attorney Rules; (b) the spirit of the Attorney Model Rules; (c) the practicalities of running an efficient and meaningful Legal Hotline as a benefit of Membership; or (d) the professional opinion of the Attorney taking the call, (collectively, the "Standards"). In the event the Attorney has recognized a Conflict, the Member will be offered the opportunity to speak with an outside Referral Panel Attorney, as specified in paragraph F below.

Conflict Examples: The following is an illustrative, but not exhaustive, list of potential Conflicts: (a) Where another broker or salesperson involved in the Transaction has previously called the LHL and obtained legal advice; (b) Where a salesperson is calling the LHL for legal advice regarding a dispute or matter involving their current broker; (c) Where a broker or salesperson not involved in the Transaction is calling the LHL for legal advice, which would preclude the brokers or salespersons involved in the Transaction from receiving legal advice regarding the Transaction from any Attorney; (d) Where the Attorney, based upon the information provided by the Member, in the Attorney's professional opinion and discretion, believes there to be a Conflict. The enforcement and interpretation of the MLS Rules and the NAR Code of Ethics, and any grievances or arbitration resulting therefrom, are the exclusive jurisdiction of the board of the local association. Where there is a Conflict, the Conflicting Member will be advised that there is a Conflict, but the exact nature of the Conflict is confidential and shall not be disclosed to the conflicting Member ("Conflicting Member").

- A. **Member Responsibilities.** Each Member calling the LHL shall provide the following information, whatever the method of contact with the LHL. Members refusing to provide, failing to provide or misrepresenting, the necessary information to determine the existence of a Conflict by an Attorney, shall not be

able to speak to an Attorney and are subject to the Attorney refusing to give advice to the Member until such information has been truthfully provided:

1. For any potential or actual real estate or business transaction ("Transaction"), whether or not any documentation has been executed: (a) The street address for the real property that is the subject of the Transaction. (b) Whether they represent a seller/landlord, as the sale or lease listing representative, or a buyer/tenant, as a buyer's/tenant representative, in the Transaction. (c) If neither of the foregoing applies, then the Member must describe their role in the Transaction, or disclose that they have no role in the transaction. (e) The name of any and all other brokers and salespersons who have any connection to the Transaction that the Member desires to discuss with an Attorney, whether such broker or salesperson is in their office or not. (f) The approximate date when the Transaction to be discussed started.
2. For any potential or actual listing, single party agreement or buyer representation agreement: (a) the street address for the real property which is the subject of the listing, (b) the name of any broker or salesperson who is either the seller under the listing agreement or single party agreement, or the buyer under the buyer representation agreement or single party agreement.
3. For all other inquiries: (a) the street address for the subject real property, if any, involved in the questions to be asked of the Attorney; and (b) The names of any and all other brokers and salespersons who have any connection to the questions to be asked of the Attorney. The Member shall represent that any "general" or "hypothetical" question does not relate to any current or closed Transaction, or if it does, then the Member shall provide all of the information required under Paragraph A1, above.

- B. **Confidentiality of Calls**. Attorneys keep the confidences of the Members who speak with the Attorneys, and they do not discuss the matter with any other brokers or salespersons involved in the inquiry (except in some limited circumstances where the brokerage is a dual salesperson) to assure that the Members have the opportunity to speak freely and candidly with the Attorneys.
- C. **Clients of Members**. The LHL service is for the benefit and education of our Members. The Attorneys do not represent the clients of the Member. All Members should always advise their clients to seek independent legal advice regarding their client's questions.
- D. **Reservation**. C.A.R. reserves the right to refuse Access to the LHL: (a) to any Members who are rude, abusive or belligerent to any staff member of C.A.R.; and (b) to any Member who refuses to provide, who fails to provide, or who misrepresents the necessary information to allow the determination by an Attorney of the existence of a Conflict in accordance with the Standards.
- E. **Oversights**. If, for any reason, it is discovered that a Conflict exists or has arisen, even after a Member has received advice from the LHL, then, from that point forward, all brokers and salespersons involved, in the subject Transaction,

shall be conflicted out and shall be referred to an Referral Panel Attorney for any future inquiries.

- F. **Referral to RP Attorney:** In the event that the Attorney determines, pursuant to the Standards, that there is a Conflict, then the Conflicting Party shall be referred out to third party attorneys on C.A.R.'s Attorney Referral Panel or C.A.R.'s Strategic Defense Attorney Referral Panel, depending on the nature of the inquiry ("RP Attorney"). A brief call to an RP Attorney (like one would get on the LHL) due to a Conflict on the LHL, is free of charge to the Member, and the RP Attorneys have signed an agreement with C.A.R. to provide such free legal advice to its Members in Conflict situations; however, should the Member, or their clients, need extensive research, documents reviewed or any other legal services, such as the formation of a legal entity, or any other legal services, which are outside of the scope of the LHL, then the RP Attorney is allowed to charge the Member, or their clients for such services (Depending upon whether the Member or their client is the client of the RP Attorney.). Members and their clients are advised to discuss any compensation requirements with the RP Attorneys directly and in advance of obtaining any services.

**Consent.** All Members who Access the LHL shall be deemed to have agreed to all of the terms and condition of this Policy.