

A publication of Michigan Realtors®

# MICHIGANREALTOR®

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JANUARY 2021



HOW MANY  
*layers* ARE *legal*  
IN A BROKERAGE?

PLUS

Meeting Strategies  
President's Report

Capitol Report  
Ethics Code Changes

2021  
Michigan  
Realtors®  
Leadership  
Team

Volume 20 | Number 1

MICHIGAN REALTORS®

# ACHIEVE

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*Engaging Realtors® • Building Leaders*

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MICHIGAN**REALTOR**®

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{ JANUARY | TWO THOUSAND & TWENTY ONE | VOLUME TWENTY | NUMBER ONE }



## Aspire. Volunteer. Aim High.

Hello Michigan Realtors®, Happy New Year and welcome to 2021!

There is no doubt that 2020 showed us that we are stronger than we think. We have shown ourselves to be great innovators when dealing with sudden and persistent change. We have learned a great deal about ourselves throughout the process and our clients have benefitted from our growth as real estate professionals. Part of what makes being a Realtor® exceptional is our unending pursuit of knowledge – the desire to achieve and then set new and more aspirational goals. We do this for our own professional growth, but also to the benefit of our clients. Our education as Realtors® is never in the rearview.

Your 2021 leadership team has adopted a “vision forward” operating plan for 2021. We are not content to rest on our past successes. While we learn from the past, successes and challenges alike, we move forward and set our sights high. It goes without saying that nobody wants to go through 2020 again. And yet, the pandemic still persists, and the vaccines are not readily available just yet. We have a duty to our clients and our profession to take our experience, our grit and determination and channel it forward. We want to be proactive as we chart our future and the service to our clients. To that end, “vision forward” is based upon powerful grassroots member engagement and volunteer leadership in the areas of Public Policy, Legal Affairs, Professional Development, Member Resources and Member Education. Our association does not succeed unless we have member engagement. Our staff does not succeed without member engagement and thoughtful direction. Ensuring that our membership understands the value proposition that Michigan Realtors® puts forward is the key to that engagement.

Our volunteer leadership structure has been put into place to make sure that our initiatives are successful and that our association can remain dynamic and representative - with member input from all over the state. All thanks to all who choose to volunteer. You make us great and you fuel the promise of this association's future. You make it possible for the association to “Aim High.” In fact, this year we received an unprecedented number of applications to serve on committees from members that want to be involved. This trend is a powerful one and, as your 2021 President, I will do everything I can to support this spirit of volunteerism.

When it comes to volunteerism and positioning the association for success, I can't say enough about the work of your Realtors® Political Action Committee (“RPAC”). The mission is clear: increase voluntary contributions made by Realtors® to help support candidates who understand and support the interests of private property rights and the real estate industry. It's important to note that these are not members' dues – this is money voluntarily invested by Realtors® to support champions of our industry. Your RPAC Trustees are always aiming high and setting the bar anew each year. They understand that RPAC is a powerful vehicle for protecting and promoting the real estate industry, thus protecting private property rights. This ideal helped us to get back to work at the outset of the pandemic and has established Michigan Realtors® as an impactful voice and resource in Lansing.

When we think of volunteerism, we also look at our individual and collective commitment as Realtors® to the Code of Ethics. Our commitment to our industry isn't a static thing – it grows and it evolves. Our Code of Ethics is representative of that premise. We should always seek to raise the bar and stay attuned to the needs of our clients. I urge you, in these changing times, to remain professional with our colleagues and our clients. As Realtors®, we commit each day to a unique set of expectations and it sets us apart.

When it comes to education, seek it out. The CE Marketplace is a great place to explore educational opportunities. As we remain mindful of limitations on gatherings for health and safety, you may have to pursue remote education. The good news – we have that available too! You have a choice: make it count. Use the tools at your disposal to stay educated on industry trends and engaged in your communities. As a Realtor® you are not just an industry leader – you are a community leader. Aim high!

Speaking of aiming high, Michigan Realtors® Office building, which has been in our future for several years, is on course to be completed in late spring or early summer. Visit the following link to see the progress: [Mirealtors.com/building](https://Mirealtors.com/building).

I look forward to seeing you in 2021. AIM HIGH! ●

## PRESIDENT

**E'toile L. Libbett**  
GRI, SRES, AHWD, e-Pro  
GMAR

## PRESIDENT-ELECT

**James Iodice**  
PSA, C2EX, E-pro, MRP  
GMAR

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**Natalie Rowe**  
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2021 Michigan Realtors® Board of Directors: District 1 Christopher Germain, (Upper Peninsula Association of Realtors®); District 2 Michelle Teitsma, (West Michigan Lakeshore Association of Realtors®); District 3 Ingrid Nelson, (Greater Regional Alliance of Realtors®); District 4 Rick Loose, (Midland Board of Realtors®); District 5 Ryan Eashoo, (East Central Association of Realtors®); District 6 George Lucas, (Southwestern Michigan Association of Realtors®); District 7 Mark Baker, (Lenawee County Association of Realtors®); District 8 Beth Graham, (Greater Lansing Association of Realtors®); District 9 Jane Lowell, (Greater Metropolitan Association of Realtors®); District 10 Katie Weaver, (Greater Metropolitan Association of Realtors®); District 11 John McArdle, (Greater Metropolitan Association of Realtors®); District 12 Sandi Smith, (Ann Arbor Area Board of Realtors®); District 13 Fred Pickens, (Detroit Association of Realtors®); District 14 Kamal Cheeks, (Detroit Association of Realtors®); Past President Pat V. Combs (Greater Regional Alliance of Realtors®); Large Office John North, (Greater Metropolitan Association of Realtors®); Large Office Adam Paarlberg, (Greater Regional Alliance of Realtors®); Jason Makowski (CAR) (MICAR Representative); Cyd Debol (CBOR) (MICAR Representative); MRAEC Rep. Alan Jeffries (Southwestern Michigan Association of Realtors®)

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## January 28-29, 2021

2021 Achieve  
Virtual Event

## April 28, 2021

2021 Broker Summit  
The Inn at St. John's, Plymouth

## September 28-30, 2021

2021 The Convention  
Grand Traverse Resort & Spa, Acme

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## A New Year, A New Session

This is what we've all been waiting for. What we all muttered under our breath at some point last year, "I can't wait for 2020 to be over." Now that 2021 has arrived, there is a light at the end of the tunnel. A vaccine has been announced and hopefully will start to get rolled out quickly. The virus continues to take its toll on the country and our state, and it will still dominate a lot of the Michigan Legislature's policy discussion in this New Year.

2021 will also bring new leadership to the table to address the virus here in Michigan. Thanks to term limits, approximately one-third of Michigan's 110 state representatives will be new. During the November elections power in the state house was up for grabs. In the end the House Republicans maintained their 58-52 seat majority, knocking off 2 Democrat incumbents (Rep. Brian Elder and Rep. Sheryl Kennedy), but losing two open seats currently under Republican control (the 38th and 61st districts). A net gain of 0 for either party.

Jason Wentworth (R- Clare) takes over for Lee Chatfield (R- Levering) as Speaker of the House and leader of the Republican Caucus. Representative Donna Lasinski (D- Scio Twp.) will be the new House Minority and Democrat caucus leader. Speaker Wentworth and Leader Lasinski have served together in the House for the past 4 years and bring a good amount of legislative and leadership experience to their new positions. Since the Michigan House was the only chamber up for election, they will join Senate Majority Leader Mike Shirkey (R- Clark Lake) and Senate Minority Leader Senator Jim Ananich (D- Flint), along with Governor Gretchen Whitmer, to set a course for Michigan out of Covid -19.

### CARRY-OVER LEGISLATION

The start of this year's session also requires the reintroduction of legislative bills that did not pass last session. There are a significant number of bills that did not see final resolution as legislative focus shifted to the Covid-19 pandemic. Even during the typically busy lame duck period at the end of last year the Michigan Senate made addressing the state budget and virus relief a priority over other policy issues.

There are a small handful of bills that Michigan Realtors® will be carrying forward from last session that spent much of the session in a workgroup process among various stakeholders. Though the bills will be reintroduced they retain the positive momentum from last year that will hopefully carry them across the line.

### FIRST-TIME HOMEBUYER SAVINGS ACCOUNTS

Michigan Realtors® made a final effort on these bills at the end of last year. As you will recall these bills set up a college-style savings program for the purchase of a first-time home in Michigan. The bills allow for an account to be set up in the name of the individual or their beneficiary and provide a state income tax credit for money saved every year and allow the interest to grow tax free, so long as it is used for the purchase of a first home in Michigan. Because the bills will have a small impact on state revenues, the Public Policy Committee worked with Senate leadership in December on a small change to the bill that provides predictability in the state budgeting process, and a review period to assess the success of the program. Under the language, the program would begin January 1, 2022 and have a 5-year sunset review in which Michigan Realtors® would work with the legislature to review success of the program to keep it going. If the program is successful, the legislature has the ability to extend the sunset. The biggest issue with these bills in the past has been the revenue impact. This deal would finally clear that path.

### SHORT-TERM RENTALS

Creating a statewide framework for regulating short-term rentals (STR's) and eliminating local bans on the activity has been the subject of a very long workgroup process. Just before the end of 2020, a new package of bills was introduced that showed promise towards a compromise between Michigan Realtors®, lodging and tourism and local convention and visitors' bureaus. The bills provided for a clear definition of STR's within Michigan zoning while also establishing a statewide registry and Pure Michigan lodging assessment, once properties reach a certain number of rentals within a calendar year. These bills will be reintroduced in early 2021 with a commitment from the legislature to bring the workgroup process to a close.

### HOME SURVEILLANCE

This legislation seeks to strike a balance between Michigan's audio and video surveillance statutes to clarify the ability of a seller to monitor activity within their own home. With emerging technology capable of capturing both video and audio, intentionally and unintentionally, Michigan Realtors® Public Policy Committee supports a change to allow audio recording without consent for the purpose of home surveillance. The bill passed the



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House last year overwhelmingly but got caught up in the Senate Judiciary committee over the chairman's concerns that it conflicted with federal wiretap laws. Look for this bill to be reintroduced early on this year.

### MARKETABLE RECORD TITLE

The Marketable Record Title Act (MRTA) provides for the elimination of deed restrictions after 40 years, if a party does not exercise their right to extend them. In 2018 the legislature passed an update to Michigan's MRTA that required any extension of a restriction to include liber and page number. Michigan was one of the first states to adopt Market Recordable Title and as such, the requirement to cite liber and page number exposed a whole host of new issues. With a looming deadline by which owners need to file to preserve their restrictions

a workgroup comprised of Michigan Realtors®, Title Companies, the State Bar of Michigan, condominium associations, and retailers, have all convened to address the potential issues arising out of the 2018 law.

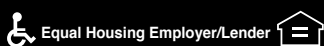
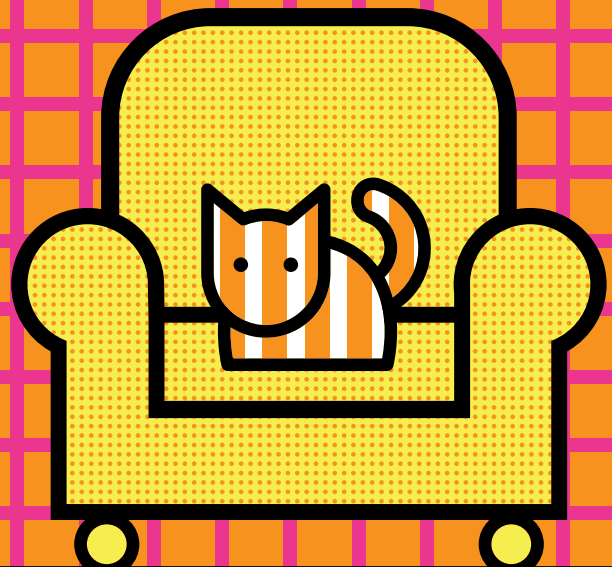
As 2020 showed us, nothing is certain. You can do your best to plan but you also need to be able to adapt. Hopefully we turn that corner sooner than later and life can begin to find a little normalcy where plans are not subject to change on such a regular and drastic basis. I wish you all a Happy New Year and you and your loved one's health and happiness in 2021.

Please follow along for breaking news through our social media and E-news publications. Additionally, be the first to receive legislative Call for Action alerts on your mobile device by texting the word "REALTOR" to 30644. ●

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# 2021 Officers & Directors

## Officers



### President: E'toile Libbett, Greater Metropolitan

Licensed since 1986, Dr. E'toile L. Libbett is an Associate Broker/Owner of Starlite Properties in Southfield, Michigan. E'toile's (pronounced A-twal) thirty-five years of full time real estate consulting and training has given her experience in everything from buyer agency, first-time buyers, multifamily housing, relocation, short sales to condos, housing counseling, foreclosure intervention and new construction. Because she believes in trying to make a positive impact anywhere she can, she is an active member of the Greater Metropolitan Association of REALTORS®, the Grosse Pointe Board of REALTORS®, Greater Detroit Realist Association and the Detroit Association of REALTORS® as well as a past President of that association. E'toile has served on the Board of Directors of Michigan REALTORS® and has chaired and served on many committees and task forces. Dr. Libbett has also chaired the following committees at the National Association of REALTORS® (NAR): Housing Opportunity Advisory Subcommittee, Housing Opportunity Committee, Board Leadership Forum, Medium Board Sub forum, the Equal Opportunity/Cultural Diversity committee and the Equal Opportunity-Cultural Diversity forum. While chairing the Cultural Diversity Committee, the strategic plan for minority outreach was developed, along with, the original "At Home with Diversity" course. She has served on the following NAR committees: Strategic Planning, Public Policy Coordinating Committee, Federal Housing Policy, Issues Mobilization Committee and numerous working groups and forums and has been a Federal Political Coordinator. Currently she is a member of the Housing Opportunity Committee, as the past Chair, and the Federal Political Coordinator to Congresswoman Brenda Lawrence. Dr. Libbett is a strong advocate for Fair Housing and Equal Opportunity. She is a Fair Housing and Diversity instructor and a past board member of the Metropolitan Detroit Fair Housing Center. In 2003, E'toile received an award from the Fair Housing Center of Southwest Michigan, having helped to establish that organization. In 2005, she received the Fair Housing Leadership award from the Metropolitan Detroit Fair Housing Center. Dr. Libbett's alma mater is Howard University, where she received B.S. and D.D.S. degrees. E'toile is a veteran (Captain) of the United States Army. She is an active member of Delta Sigma Theta Sorority, Inc., a national service sorority. She is married to Dave Libbett, III, has one son, Dave Libbett, IV and the proud Grandma of two boys.



### President-Elect: James Iodice, Greater Metropolitan

James Iodice provides a unique perspective having a strong commercial background and currently sells and leases in both the residential and commercial markets. Iodice was most recently awarded the Michigan REALTORS® REALTOR® of the Year for 2019 and Michigan REALTORS® REALTOR® Active in Politics award in 2018. He is an associate broker, and has been selling and leasing real estate since early 2000. He has had the opportunity to serve as a member of the Michigan REALTORS® Public Policy Committee 2012-2015, 2018-present and as Chair in 2016. Iodice currently sits on the Board of Directors of Michigan REALTORS® and will serve as Michigan REALTORS® President-Elect in 2021. He has served on the Board of Directors and Executive Leadership of the Greater Metropolitan Association of REALTORS® and was elected as the 2018 President. He is a Presidents Circle member of RPAC. Iodice was appointed to the 2018 and 2020 Public Policy Coordinating Committee for the National Association of REALTORS®. His local committee work includes participation in grievance, RPAC, Governmental Affairs, Member Engagement, and Finance, and has been appointed to the Waterford Township Economic Development Corporation. Iodice is a 3rd Degree Black Belt and an avid martial artist. His civic involvement includes participating in the local Relay For Life as a Team Captain and holding varied chair positions for the past 8 years.



### Treasurer: Natalie Rowe, Greater Kalamazoo

Natalie started her Real Estate career as an office admin in 1999 and in 2006, earned her Real Estate license. In 2016, she earned her Associate Brokers License, just before becoming the Broker/Owner of RE/MAX Advantage in 2017. Natalie's office is located in Portage and is currently home to 30 Realtors® and 3 office admins. Throughout her career, she has served on most of the committees at the Greater Kalamazoo Association of REALTORS®. She also served as a Board Member, and an Officer. She was elected to serve as District 6 Director for Michigan REALTORS® in 2017, before being elected as Treasurer-Elect in 2020. In addition, Natalie serves as a NAR Director and was recently appointed to the Broker Engagement Council. Outside of Real Estate, Natalie serves as the Vice President of Kalamazoo Area Runners and is a champion runner for Team Red White & Blue and the American Red Cross.

## Board of Directors

The Michigan Realtors® 2021 board of directors is made up of 14 district directors (see next page) and six other representatives, which are listed below. District directors are elected during the One Realtor®, One Vote Online Election, which takes place every fall.

### Appointed Directors:



**Pat V. Combs**  
GRAR  
Past President



**John North**  
GMAR  
Large Office



**Adam Paarlberg**  
GRAR  
Large Office



**Jason Makowski**  
CAR  
MiCAR



**Cyd Debol**  
CBOR  
MiCAR



**Alan Jeffries**  
SWMAR  
MRAEC Rep



# 2021 District Representatives

District representatives serve as liaisons between the Michigan Realtors® and local associations in their region.



**Christopher Germain**  
District 1  
Expires in 2022



**Michelle Teitsma**  
District 2  
Expires in 2021



**Ingrid Nelson**  
District 3  
Expires in 2021



**Rick Loose**  
District 4  
Expires in 2022



**Ryan Eashoo**  
District 5  
Expires in 2021



**George Lucas**  
District 6  
Expires in 2022



**Mark Baker**  
District 7  
Expires in 2021



**Beth Graham**  
District 8  
Expires in 2021



**Jane Lowell**  
District 9  
Expires in 2022



**Katie Weaver**  
District 10  
Expires in 2021



**John McArdle**  
District 11  
Expires in 2022



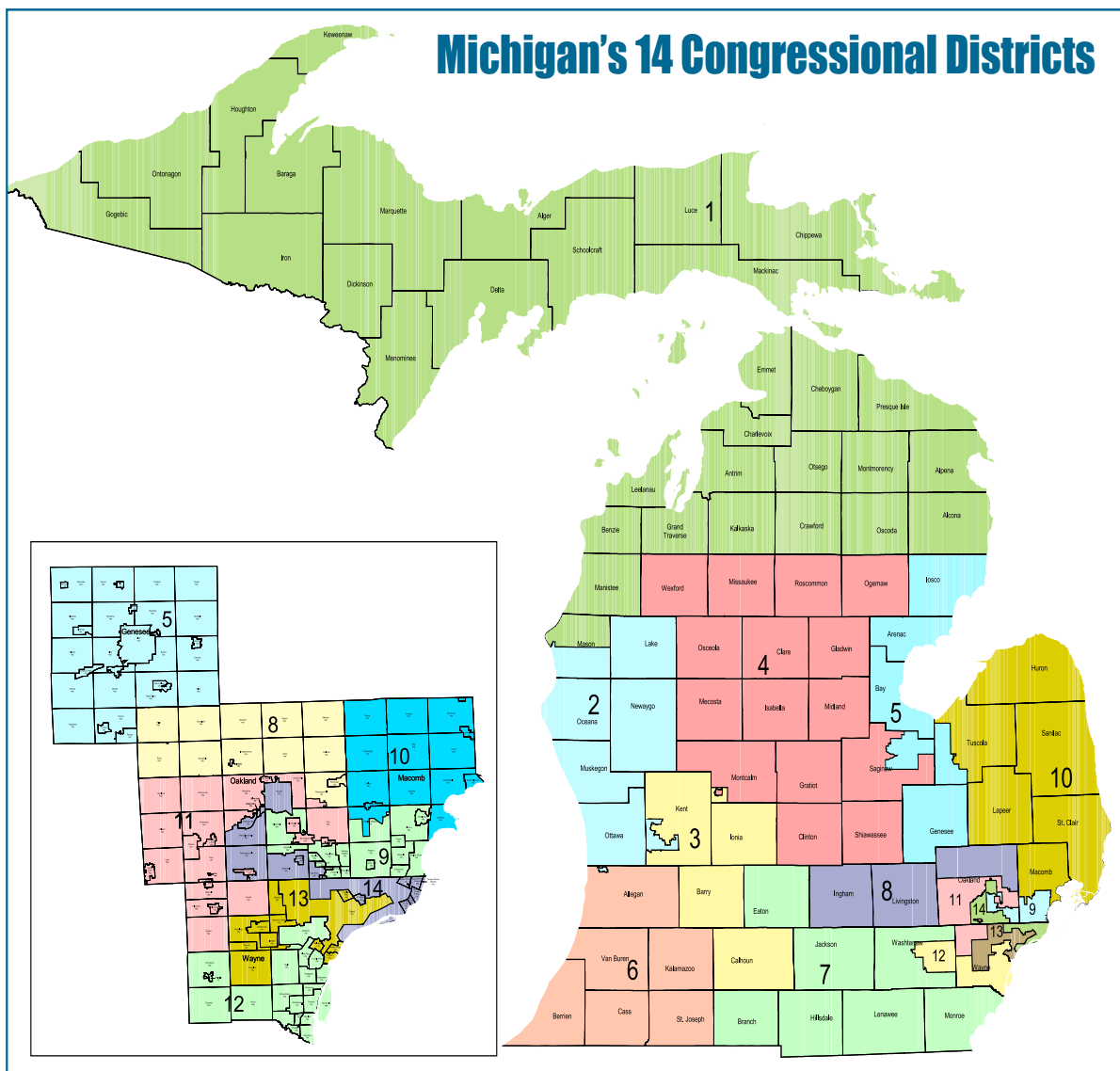
**Sandi Smith**  
District 12  
Expires in 2021



**Fred Pickens**  
District 13  
Expires in 2021



**Kamal Cheeks**  
District 14  
Expires in 2022







# *a* COMPANY *within a* COMPANY?

BY GAIL A. ANDERSON, ESQ.



Over the years, we have been told by any number of individual Realtors® that their accountant has advised them to set up a corporation or limited liability company and have their broker pay that entity rather than the Realtor® individually. Licensing law does not permit this structure if the Realtor® is a salesperson. This structure can work for an associate broker, but perhaps not in the manner envisioned by your accountant. This article is intended to help Realtors® and their accountants understand the restraints imposed by license law.

In the commercial world, it is very common to layer entities. For example, some or all of the shareholders of a small company may be corporations themselves. Michigan real estate license law does not permit this. Under Michigan license law, both salespersons and associate brokers are individually licensed through a particular broker. A licensed broker may be a corporation or a limited liability company, but the licensees who work for that broker are persons with real estate licenses in their individual names.

An associate broker can be licensed through more than one broker. A broker can, of course, pay another licensed broker. So while an associate broker cannot be a licensed entity within a brokerage firm, he or she can create a licensed brokerage entity “on the side” and direct his or her broker to pay that outside entity rather than pay the individual associate broker directly.

A real estate salesperson, on the other hand, can only be licensed through one broker at a time. A licensed salesperson can only be paid by the one real estate broker through whom he or she is licensed. A real estate broker cannot pay a commission to an entity that does not have a real estate license. For these reasons, unlike an associate broker, a salesperson cannot direct his or her broker to pay an outside entity rather than the salesperson directly. The salesperson cannot get a real estate license for a separate entity, and the salesperson’s broker cannot pay an unlicensed entity.

If an associate broker wishes to be paid through a corporation or limited liability company, she needs to take the following steps. First, the associate broker should create a new entity (“LLC”) by filing articles of organization with the Corporations and Securities Bureau. Next, the associate broker should file an application with the Department of Licensing and Regulatory Affairs (“DLARA”) to obtain a real estate broker’s license for her new LLC. Once the new LLC has a real estate license, the associate broker will be licensed through both the real estate brokerage firm where she has been working and through her newly formed LLC.

After the newly created LLC is licensed, the real estate brokerage firm can pay the LLC rather than the individual

associate broker directly. The new LLC may be useful if there are tax advantages or other accounting reasons for an associate broker to receive payment through an LLC. The new LLC does not work as a liability shield. License law makes clear that the work being done for the real estate brokerage firm is being done by the associate broker individually and not by the associate broker’s LLC. Since the work cannot be done in the name of the LLC, a court will not allow the associate broker to use that LLC as a liability shield.

After the LLC is in place, the real estate activities of the associate broker must continue to be performed in the name of the real estate brokerage firm. It is that firm’s liability shield (and that firm’s errors and omissions insurance coverage) that provides protection to the associate broker. If the associate broker attempts to conduct business in the name of the LLC or otherwise fails to make clear that the business is being conducted by the real estate brokerage firm, she may put both herself and her firm at risk. If a client can show that he did not understand that he was working with a particular real estate brokerage firm, a court may allow the client to pierce that firm’s liability shield. Additionally, under these circumstances, the brokerage firm’s errors and omissions carrier may deny coverage. It is for this reason that the LLC should remain “invisible” to the associate broker’s clients and customers.

In summary, while it is true that creating a second corporate layer within a real estate brokerage firm could provide some additional liability protection, this structure is not available under Michigan license law. Moreover, if real estate licensees attempt to do business in the name of a separate entity, they may



“

Under Michigan license law,

both *salespersons*

and *associate brokers*

are *individually licensed*

through a particular broker.”

jeopardize the protections they already have as part of the real estate brokerage firm through whom they are licensed. Associate brokers may establish “on-the-side” licensed entities for tax advantages or other accounting reasons, but they should not conduct business in the name of those entities.

### *A Note On Teams*

The above analysis also applies to teams. The name of a team and the way the team advertises should make clear that the team is part of the real estate brokerage firm. A team may want to form a separate legal entity in order to hire assistants, deduct expenses and for other behind-the-scenes bookkeeping purposes. Even if the team is a separate legal entity, the members of the team should still do business in the name of the real estate brokerage firm. Listing contracts and buyer's broker contracts should be in the name of the real estate brokerage firm and should be signed on behalf of that firm using individual names of team members and not in the name of the team. It is the individual team members and not the team itself (even if a separate legal entity) who work for the real estate brokerage firm. ●



# A Change to the **CODE OF ETHICS**

EVOLUTIONARY THEORY RULE SOCIAL CHARACTER ETHICAL  
APPLIED ACTION VALUES PROPOSITIONS  
DECISION RIGHT POLITICS PEOPLE  
PHILOSOPHY PRACTICES MORAL PRINCIPLES BEHAVIOR  
COMPARATIVE DEFINITION STUDY SCIENCE CODE HUMAN  
BUSINESS PRAGMATIC DESCRIPTIVE  
RELATIONAL FIELD POSTMODERN

BY BECKY GEAN, ESQ.

This year's industry spotlight has shone brightly on Fair Housing, and associations across the country have worked diligently to reaffirm their commitment to fair and equal services for all. The National Association of REALTORS® (NAR), in particular, has been a driving force in the fight against discrimination and inequality in the housing industry. This year, NAR's Board of Directors heard recommendations from the Professional Standards Committee that included a number of changes to the Realtor® Code of Ethics. The recommendations primarily addressed the Code's applicability to discriminatory speech and included:

- *Expanding the applicability of the Code of Ethics to include activities outside the real estate profession*
- *A new standard of practice that prohibits the use of hate speech, harassing speech, epithets and slurs based on protected classifications under Article 10*
- *An amended definition of the "public trust"*

These recommendations were approved by the Board on November 13, 2020, at the virtual 2020 REALTORS® Conference and Trade Expo. This article will discuss the substantive changes to the Code of Ethics and what those changes mean for Realtors®.

## CHANGES TO POLICY STATEMENT 29

Under the traditional framework of Policy Statement 29 in the *Code of Ethics and Arbitration Manual*, Realtors® were not subject to disciplinary action under the Code of Ethics unless their conduct was specifically tied to a real estate activity or transaction. Moving forward, that will not be the case.

The NAR Board of Directors voted to amend Policy Statement 29 by expanding the applicability of the Code of Ethics to all activities – not just those connected to the practice of real estate. This means that Realtors® who engage in hate speech or other discriminatory conduct (even outside their work in real estate) will be subject to discipline under the Code. This change takes effect immediately, but it will not apply retroactively to conduct that took place before the Board approved the change on November 13, 2020.

## CHANGES TO ARTICLE 10

Article 10 of the Realtor® Code of Ethics prohibits Realtors® from discriminating in their real estate employment practices. The Board voted to amend Article 10 by adding Standard of Practice 10-5. This new Standard of Practice states that Realtors® must not use "harassing speech, hate speech,

epithets or slurs" based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation or gender identity.

While the new Standard of Practice falls within the existing Article 10 language and conceptual framework, it creates a more specific area of coverage. It's important to note that Standard of Practice 10-5 was not put in place to limit types of speech that may be viewed as subjectively offensive. Instead, this Standard of Practice was narrowly drawn to cover specific types of speech (such as harassment and weaponized hate speech) that objectively discriminate based on the protected classifications listed in Article 10.

To assist ethics hearing panels in applying and interpreting Standard of Practice 10-5, the Committee assembled "Appendix XII to Part Four of the Code of Ethics and Arbitration Manual." This Appendix lays out the proper application of the new Standard of Practice. It references NAR's Code of Conduct and Anti-Harassment Policy and also defines certain terms (such as "harassment," "hate speech," "epithet" and "slur"). These references and definitions will help hearing panels across the country apply the new policy with clarity and consistency.



## THE PUBLIC TRUST

The Board also approved an expanded definition of the “Public Trust.” In the past, violations of the Public Trust were limited to instances of fraud or the misappropriation of client or customer funds or property. Under the new definition, a violation of the Public Trust will also include any discrimination against protected classes in Article 10.

What does this mean for Realtors®? This means that local associations must notify the Department of Licensing and Regulatory Affairs (LARA) of any final ethics hearing decisions which determine that the Public Trust has been violated. This type of reporting has always been required. But, under the new and expanded definition of “Public Trust,” hearing panels must now report Article 10 violations in addition to violations involving fraud or the misappropriation of client funds and/or property.

## WHY THE CHANGE?

The brutal killings of George Floyd, Breonna Taylor, and other victims of racial injustice sharply focused national attention on social inequality. The actions of many industries, and anyone connected with them, were scrutinized, and the housing industry was no exception. State and local Realtor® associations across the country received new complaints pointing to speech and actions by members that appeared offensive or discriminatory, particularly on social media. Many Associations sought ways to take effective action but were limited in their means to address the problem as professionals. Associations looked to NAR for a broad, national solution, and NAR responded to the opportunity to raise the bar.

The National Association recognized the importance of implementing meaningful organizational changes that would advance Fair Housing and equality during this time of social unrest. One of the identified changes was to apply Code of Ethics more strictly to discriminatory speech and hateful rhetoric, the rationale being that members should not be permitted to promote discriminatory ideas while simultaneously promoting the Realtor® brand.

These changes are consistent with the intent and spirit of the Realtor® Code of Ethics. The Code of Ethics protects the integrity of the Realtor® profession. And, by adhering to the Code, Realtors® agree to hold themselves to a higher standard of conduct. Hate speech and other discriminatory conduct degrade the profession and can give the public the impression that such behavior is accepted by and, perhaps, characteristic of all Realtors®. If the values of the Realtor® brand are to be protected, members must conduct themselves in alignment with the Code of Ethics and take action against behavior that does not fit with these values.

## IS THERE A FIRST AMENDMENT ISSUE?

Some members have expressed concern that the new limitation on discriminatory speech and conduct will trample free expression, which is guaranteed by the First Amendment.

While it's true that many forms of offensive and even hate speech may be protected by the First Amendment, a First Amendment violation is only cognizable when a state action is present. This is because the text of the First Amendment only speaks to action by Congress. Over the years, this has been interpreted to

mean action by the Federal government. The Fourteenth Amendment extends First Amendment protection against State and Local action as well.

So what does this mean? This means that, in order for there to be a First Amendment violation, there must be some type of state action (by either the Federal, State or Local government) that interferes with an individual's free expression. Action by NAR, or any other non-government entity, does not amount to the threshold of “state action.” Therefore, the policy implemented by NAR which seeks to limit member hate speech does not violate the First Amendment.

## PART OF THE SOLUTION

As we enter a new year, it is important that Realtors® understand the new changes to the Code of Ethics and how these changes will affect their public-facing behavior moving forward. We must remember that these changes are not intended to restrict or limit social freedoms. Instead, these changes are meant to combat discriminatory practices and encourage members to stand in unity against hateful rhetoric that does not align with the Realtor® brand. In a letter to NAR President, Vince Malta, the Atlanta Realtors® Association wrote, “The diversity of the Realtor® community is one of our greatest strengths.” These words echoed a shared sentiment amongst industry professionals across the country. Now is the time to stand together as part of the solution in creating a safe place where equal professional services are offered to all.

The updated Code of Ethics can be found at: <https://www.nar.realtor/about-nar/governing-documents/code-of-ethics/2021-code-of-ethics-standards-of-practice> ●

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# All the World's a Stage

Strategies for more engaging sales meetings.

BY ANNA MARIE ELLISON, MANAGING PARTNER, ERA KING REAL ESTATE

I may not quote Shakespeare during ERA King Real Estate's weekly sales meetings, but I would definitely say we inject a bit of theater into these highly staged productions. Paying attention to how you produce a meeting should be just as important as the material you present. The more engagement opportunities you create will lead to a more inspired and productive team. That's why we've invested so much in our weekly meetings, and they have truly become a show.

## SET THE STAGE TO SET THE TONE

Our philosophy as a real estate firm is that ERA King the company does not sell properties, our people do. Our whole business is built around supporting our people and positioning them for success. Sales meetings are a significant component of that support. As a managing broker for the firm, I oversee agent recruiting and professional development. I've found that weekly meetings go a long way in setting the tone for the week, providing motivation and creating achievable goals to support sustained production.

That word production is important to us because we spend hours preparing to make certain our sales meetings aren't just another meeting but an engaging, fun and productive event.

Preparations for each weekly meeting begin at least one month out. Each leadership team member is provided with his or her schedule for the month, and it's up to them to determine what content they

will cover in their time slot each week. Once topics and content are established, each presenter works with our staff designers to create visually appealing slides to support their content. They may also make song selections to accompany their content. We then do a 30-minute dress rehearsal the day before the meeting to work out any rough spots.

I learned that these meetings are critical, and you can't just prepare for them the night before. You need to invest time and effort to create an informative, collaborate and valuable opportunity that drives a culture where agents want to attend the meetings and do everything they can to make it happen.

## ENTERTAIN THE SENSES

In real life, I have a DJ for our sales meetings, which creates a subtle musical undercurrent of energy and momentum for the hour and discourages chitchat in the audience. We are currently working on a way to incorporate the musical component on Zoom because the platform only allows for one audio source.

One of the things we've been challenged with during COVID-19 is translating the incredible energy from our live weekly meetings. I design the meetings to be entertaining, fast-paced and highly motivational in order to keep our agents energized for the next six days. Moving to a virtual format has meant we needed to up our game, create more visually appealing slides to keep people's attention on the screen.

One thing we noticed is that it

was harder to keep people focused on their computer screen for a full hour. Studies show that it's harder to digest material on a screen, so we shortened the meetings to 45 minutes to avoid screen fatigue. So, our presenters need to be tight and succinct, which has required us all to up our communication skills.

Another adjustment has been the audience participation factor. In real life, it's easy to catch someone's eye in the audience or invite them to the front to be acknowledged, thereby breaking the wall between the actors and the audience. During virtual meetings, we had to experiment with ways to create connections between the presenters and the audience. We always start our meetings with an interactive game or quiz in which participants can annotate on the screen or type in the chat. We also encourage questions and comments throughout the meeting.

## A QUALITY PRODUCTION

We've been using Zoom for sales meetings for a few years now, letting agents attend in person or virtually. Because our agents were already comfortable and familiar with the platform, we didn't have a technology curve to get over once we switched to 100% Zoom meetings during COVID-19.

Pre-COVID-19, we had about a 50% participation rate for sales meetings, but during the pandemic, we saw participation increase to 75%. Quality content that both educates and entertains has been a mainstay of our sales meetings, which is



why we have a high participation rate both in-person and virtually.

Part of the increase we saw for the virtual meetings can be attributed to the fact that people didn't have conflicts because they weren't having in-person meetings. In addition, the convenience of logging into a meeting from home was a key factor. And the fact that the virtual

meeting provided a much-needed place for our team to see each other and connect was probably just as significant. We are a social bunch!

While it may seem like a lot of work to produce a high-quality show every week, note that what you put in is what you get out. We invest in our agents and we always have, which continues to be a

formula for success. We may not get an Emmy or Tony for our work, but the reviews have been excellent. ●



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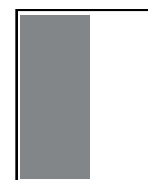
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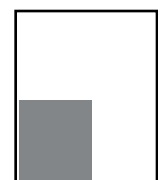
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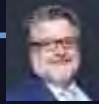
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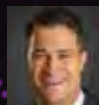
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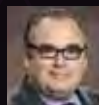
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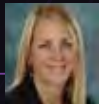
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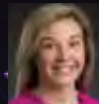
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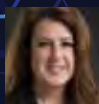
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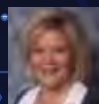
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