

# MLS, Inc.

## By-Laws

*A wholly-owned subsidiary of*

### **NORTHWEST LOUISIANA ASSOCIATION OF REALTORS®**

*(Board Recommended and Approved: July 9, 2015)*

*(NAR Approved: July 20, 2015)*

#### **INTRODUCTION**

M.L.S., Inc., the Multiple Listing Service of the Northwest Louisiana Association of REALTORS® is a wholly-owned subsidiary of the Northwest Louisiana Association of REALTORS®. All data collected and stored in the Multiple Listing Service database is for the sole and private use of the general membership of M.L.S., Inc. Any use of data retrieved from the Multiple Listing Service database by non-members of the Northwest Louisiana Association of REALTORS® and M.L.S., Inc. is strictly prohibited without prior written approval from M.L.S., Inc. or the governing body of the Northwest Louisiana Association of REALTORS®.

Sections in this Manual are designated by the following codes:

- M** Mandatory rules as required by the *NAR Model By-Laws for a Wholly-Owned Subsidiary*
- R** Recommended rules by the *NAR Model By-Laws for a Wholly-Owned Subsidiary* adopted by this MLS
- O** Optional rules by the *NAR Model By-Laws for a Wholly-Owned Subsidiary* adopted by this MLS
- L** Local rules drafted and adopted by this MLS

**ARTICLE 1**  
**NAME**

Article 1.0 Name M

The name of this organization shall be the Multiple Listing Service of the Northwest Louisiana Association of REALTORS®, dba “Northwest Louisiana MLS”, hereinafter referred to as “The Service”, all the shares of stock of which are solely and wholly-owned by the Northwest Louisiana Association of REALTORS®.

**ARTICLE 2**  
**PURPOSES**

Article 2.0 Purposes M

A multiple listing service is a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced, by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker’s performance as procuring cause of the sale (or lease).

**ARTICLE 3**  
**SERVICE AREA**

Article 3.0 Service Area M

The area within which The Service shall function shall at all times be coextensive with or within the territorial jurisdiction of the Northwest Louisiana Association of REALTORS®.

**ARTICLE 4**  
**PARTICIPATION DEFINED**

Article 4.0 Participation Defined M

Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.\*\* However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service membership or participation unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law. The REALTOR® principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the participant shall have all rights, benefits, and privileges of the service, and shall accept all obligations to the service for the participant's firm, partnership, or corporation, and for compliance with the bylaws and rules and regulations of the service by all persons affiliated with the participant who utilize the service.

*\*\*Optional qualifications which may be adopted at the local association's discretion: Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval within thirty (30) days after access has been provided.*

Associations are not required to establish prerequisites for MLS participation beyond holding REALTOR® (principal) membership in an association. However, if the association wishes to establish these requirements for MLS participation or for access to MLS-generated information, the requirement of attendance at an orientation program is the most rigorous requirement that may be established.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly,

the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants.

#### Article 4.01 Participation Orientation Education Requirement



Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval within two scheduled sessions of the “MLS Rules & Procedures Class” after access has been provided.

#### Article 4.02 Participation On-Going Education Requirement



Participants and subscribers may be required, at the discretion of the MLS Board as defined in the current MLS Rules and Procedures, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancements and/or changes to the MLS Rules and Procedures. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely. (MLS Inc. Added Rule)

#### Article 4.1 Application for Participation



Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of The Service and made available to any REALTOR® principal of this or any other association requesting it. The application form shall contain a signed statement agreeing to abide by these By-laws and any other

applicable rules and regulations of the service as from time to time amended or adopted.

## Article 4.2 Discontinuance of Service **M**

Participants of The Service may discontinue The Service by giving The Service written notice and may reapply to The Service by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid

## Article 4.3 Subscribers **M**

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants.

### Section 4.3.1 Additional Subscribers – Appraiser Trainees **O**

Subscribers (or users) of the MLS also include individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS participant or the participant's licensed designee.

### Article 4.3.2 Additional Subscribers – Office Assistant **L**

Subscribers (or users) of the MLS also includes unlicensed employees of a participant where that participant is a REALTOR® member of the MLS and said employee(s) are under the direct supervision of the MLS participant and the employee(s) must be properly registered and authorized by the MLS. This category of subscriber does not have access to report manager, nor do they have access to a personal website or the ability to export data/images. (MLS Inc. Added Rule)

### Article 4.3.3 Additional Subscribers – Personal Assistant **L**

Subscribers (or users) of the MLS also includes unlicensed employees of a participant or a subscriber where that participant is a REALTOR® member of the MLS and said employee(s) are under the direct supervision of the MLS participant or subscriber and the employee(s) must be properly registered and authorized by the MLS by the participant. This category of subscriber does not have access to report manager, nor do they have access to a personal website or the ability to export data/images. (MLS Inc. Added Rule)

### Article 4.3.4 Additional Subscribers – Public Service **L**

Subscribers (or users) of the MLS also includes those Public Service persons approved by the Northwest Louisiana Association of REALTORS® for Public Service membership who require access to MLS data for purposes deemed beneficial by the Board of Directors for promoting REALTOR® functions and providing improved service to the REALTOR® community. (MLS Inc. Added Rule)

#### Article 4.3.5 Additional Users – Home Inspectors

Users of the MLS also includes those certified Home Inspectors approved by the Northwest Louisiana Association of REALTORS® for ‘Affiliate Membership – Home Inspector’ who require access to limited MLS services deemed beneficial by the Board of Directors for promoting REALTOR® functions and providing improved service to the REALTOR® community. This category of MLS User is limited to key box service only. (MLS Inc. Added Rule)

#### Article 4.3.6 Additional Users – Wood Destroying Insect Inspectors

Users of the MLS also includes those certified Wood Destroying Insect Inspectors approved by the Northwest Louisiana Association of REALTORS® for ‘Affiliate Membership – Wood Destroying Insect Inspector’ who require access to limited MLS services deemed beneficial by the Board of Directors for promoting REALTOR® functions and providing improved service to the REALTOR® community. This category of MLS User is limited to key box service only. (MLS Inc. Added Rule)

### **ARTICLE 5** **SERVICE CHARGES**

#### Article 5.0 Service Charges **R**

The charges made for participation in The Service shall be as determined, and as amended from time to time by the Board of Directors of The Service, and specified in the MLS Rules and Regulations of the service.

### **ARTICLE 6** **GOVERNANCE OF THE SERVICE**

#### Article 6.0 Governance of the Service **M**

The government of the service shall be vested in a Board of Directors comprised of the elected officers and directors nominated and elected as described in this article.

#### Article 6.1 Officers of the Service **M**

The officers of the service, who shall also be directors, shall be a president, a vice president, and a treasurer, and shall have such duties as described in this article.

## Article 6.2 Board of Directors L

The Board shall consist of a total of eighteen (18) Directors. Fifteen (15) directors, including the president, vice president, treasurer and 12 at-large elected directors shall be elected at the first business meeting each calendar year of the Board of Directors of the Northwest Louisiana Association of REALTORS®, the sole shareholder of this corporation. In addition to the elected directors, the immediate past president of the service, the MLS Representative who shall be elected by the MLS Participants and Subscribers and defined in Article 6.3.1, and the current President of the Northwest Louisiana Association of REALTORS® Commercial Investment Division shall serve as directors, ex-officio, with full voting privileges. No one Participant's company can hold more than three (3) seats on the MLS Board of Directors including ex-officio positions.

Upon election the directors shall immediately take office to serve for the ensuing calendar year or until their successors are chosen. (MLS Inc. Added Rule)

## Article 6.3 Nomination and Election of Officers and Directors L

The officers and elected directors of the service shall be nominated and elected by a vote of the stockholders of The Service in accordance with the provisions of Article 7, meetings, of these Bylaws and as set forth below. (MLS Inc. Added Rule)

### Article 6.3.1 Nomination and Election of MLS Representative L

The nomination and election process for the MLS Representative to the Board of Directors shall take place each year for the next calendar year by a vote of all the current Participants and Subscribers\* of the MLS service. Once elected the MLS Representative shall serve as a voting member of the MLS Board of Directors as outlined above in Article 6.2 and shall serve as a voting representative of the MLS on the Board of Directors of the Northwest Louisiana Association of REALTORS®.

Qualifications to be eligible for consideration to be elected to serve as the MLS Representative are:

- a) A REALTOR® in good standing as a member of the Northwest Louisiana Association of REALTORS®;
- b) A Participant or Subscriber\* in good standing of Northwest Louisiana MLS, Inc.;
- c) Must have served at least two years combined on the MLS Administrative Committee, the MLS General Committee, or as the MLS Representative within the past five years.

A person shall not be eligible to be elected to serve as the MLS Representative if:



- a) The nominee has served three consecutive terms as the MLS Representative at the time of nomination;
- b) The election of the nominee would place them as the fourth member from their company (one Participant's company) on the 18 member MLS Board of Directors as outlined in Article 6.2;
- c) The nominee has served six or more consecutive years on the MLS Board of Directors.

\*NOTE: 'Additional Subscribers' as defined by these By-laws shall not be eligible to be nominated for the MLS Representative position or vote for the election of the MLS Representative. (MLS Inc. Added Rule)

#### Article 6.4 Terms of Office M

The officers shall serve for a one-year term. The elected directors shall serve for staggered three-year terms with one-third of the terms expiring each year. Officers and directors shall take office upon the effective date of their offices and shall continue until their successors are elected, qualified, and installed. No officer or director shall be nominated and elected to the same office for more than two consecutive terms.

#### Article 6.5 Duties of Officer and Directors L

The duties of the officers and directors are as follows:

1. The president shall be the chief executive officer of The Service and shall preside at its meetings and those of the board of directors, and shall perform all the duties of the president subject to declared policies and, as required, subject to confirmation of the board of directors.
2. The vice president shall, in the absence of the president, perform all of the duties of the president.
3. The treasurer shall be the custodian of the funds of The Service and shall keep an accurate record of all receipts and disbursements. The treasurer shall provide to all members of the board of directors a quarterly statement of all accounts and financial affairs for the service, and shall have charge of the corporate seal and affix the name to all documents properly requiring such seal.
4. The Board of Directors of The Service shall be the governing body of The Service and shall have control of all the affairs of The Service and shall authorize all expenditures of funds. The Board of Directors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of The Service for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the stockholders of the service for approval on a date not less than 60 days prior to the first day of the next fiscal year. The Board of Directors shall not incur an obligation in excess of the total budget without the

authorization of the stockholders of The Service unless such excess is the result of an increase in the volume of listings processed by The Service over that projected in preparing the annual budget. The Board of Directors shall employ such executive, legal, and office personnel it deems necessary to care for and maintain the properties of the service and otherwise conduct the administrative business of The Service. The Board of Directors shall have the right to make an audit of all books and accounts at any time without notice. The Board of Directors shall have the power from time-to-time to adopt such rules and regulations that they may deem appropriate subject to final approval of the Board of Directors of the Northwest Louisiana Association of REALTORS® (shareholder). Except as otherwise provided in these bylaws and rules and regulations, the action of the Board of Directors shall be final. (MLS Inc. Added Rule)

#### Article 6.6 Removal of Officer and Directors R

In the event that an officer or director of the multiple listing service is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the officer or director may be removed from office under the following procedure:

1. A petition requiring the removal of an officer or director and signed by not less than one-third of the participants or a majority of all directors of the MLS shall be filed with the president of the MLS, or if the president is the subject of the petition, with the next- ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
2. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the participants of the MLS shall be held, and the sole business of the meeting shall be to consider the charge against the officer or director, and to render a decision on such petition.
3. The special meeting shall be noticed to all participants at least ten (10) days prior to the meeting, and shall be conducted by the president of the MLS unless the president's continued service in office is being considered at the meeting. In such case, the next- ranking officer will conduct the meeting or the hearing by the participants. Provided a quorum is present, a three-fourths vote of participants present and voting shall be required for removal from office.
4. Any vote taken by the participants to remove an officer or director must ultimately be confirmed by a majority vote of the directors of the shareholder(s). Notwithstanding the foregoing, the shareholder(s) may remove an officer or director by a majority vote of the directors of the shareholder(s).

## ARTICLE 7 ANNUAL MEETING

### Article 7.0 Annual Meeting L

The annual meeting of the stockholders of the service shall be held during the month of January at the time and place specified by the Board of Directors. (MLS Inc. Added Rule)

### Article 7.1 Special Meetings of the Service M

Special meetings of participants of the service may be called from time to time by the president, the Board of Directors, or by a petition signed by not less than one-third of the participants of The Service. Written notice stating the day, place, and hour of the meeting, the purpose or purposes for which the meeting is called, shall be delivered to all REALTORS® who are participants in The Service not less than seven (7) days prior to said meeting.

### Article 7.2 Quorum and Voting at Meetings of the Service M

For the transaction of business (25) 25% of the participants of The Service shall be considered a quorum. A majority vote by such participants present and voting at a meeting attended by a quorum shall be required for passage of motions.

### Article 7.3 Meetings of the Board of Directors M

The Board of Directors may meet at any time it deems advisable on the call of the president or any nine (9) members of the Board of Directors. Nine (9) directors shall constitute a quorum. A majority vote by the directors present and voting at a meeting attended by a quorum shall be required for passage of motions.

### Article 7.4 Presiding Officer M

At all meetings of the participants of The Service, or of the Board of Directors, the president or, in the absence of the president, the vice president shall serve as presiding officer. In the absence of the president and vice president, the president shall name a temporary chairperson or, upon the president's failure to do so, the Board of Directors of The Service shall appoint a temporary chairperson.

## ARTICLE 8 COMMITTEES

### Article 8.0 Committees M

The president, with the approval of the Board of Directors, shall create such standing or ad hoc committees as the president deems desirable and shall appoint their members. Each committee shall consist of not less than (51) 51% participants in The Service, but may also include REALTORS® or REALTOR-ASSOCIATE@s, employed by or affiliated as independent contractors with a REALTOR® participant serving as representatives of said REALTOR® participants and with their consent, and who may serve either as a chairperson or member of a committee.

## ARTICLE 9 FISCAL YEAR

### Article 9.0 Consideration of Alleged Violations M

The fiscal year of the service shall commence on January 1st and shall end on December 31<sup>st</sup>.

## ARTICLE 10 AMENDMENTS TO BY-LAWS

### Article 10.0 Amendments to By-Laws M

Amendments to these Bylaws shall be by the participants of The Service, and shall be determined at an annual meeting or special meeting of The Service in accordance with the provisions of Article 7, concerning meetings of The Service. Amendments to the Bylaws of The Service approved by the participants shall further be subject to approval of the board of directors of the Northwest Louisiana Association of REALTORS® (shareholder).

When amendments to the Bylaws of The Service have been approved by the Board of Directors of the Northwest Louisiana Association of REALTORS® (shareholder), said amendments shall be effective immediately or as stated in the amending resolution.

If the proposed amendments to the Bylaws of the multiple listing service fail approval of the Board of Directors of the shareholder, the Board of Directors of the multiple listing service shall be informed, and advised that the proposed amendment or amendments to

the Bylaws be further considered and resubmitted to the shareholder as approved by the participants of the multiple listing service.

Article 10.1 Amendments to Rules and Regulations **M**

Amendments to the rules and regulations of the service shall be by consideration and approval of the board of directors of the multiple listing service in accordance with the provisions of Article 7, Section 3, concerning meetings of the board of directors, subject to final approval by the Board of Directors of the Northwest Louisiana Association of REALTORS® (shareholder)

When approved by the Board of Directors of the Northwest Louisiana Association of REALTORS® (shareholder) as described, the amendments to the rules and regulations of the multiple listing service shall be effective immediately or as stated in the amending resolution.

If the proposed amendments of the multiple listing service rules and regulations fail approval by the Board of Directors of the shareholder, the Board of Directors of the multiple listing service shall be informed, and advised that the proposed amendment or amendments must be further considered and resubmitted as approved by the board of directors of the multiple listing service to the Board of Directors of Northwest Louisiana Association of REALTORS® (shareholder).

**ARTICLE 11**  
**DISSOLUTION**

Article 11.0 Dissolution **M**

In the event this service shall at any time terminate its activities, the Board of Directors of The Service shall consider and adopt a plan of liquidation and dissolution with the approval of the participants thereof and of the Board of Directors of the Northwest Louisiana Association of REALTORS® (shareholder). Said plan shall provide for the collection of all assets, the payment of all liabilities, and that the remaining portions thereof be assigned to the parent corporation, namely, Northwest Louisiana Association of REALTORS®.

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