

**Activity of IREM Ethics Boards at 2011 Leadership & Legislative Summit
for publication**

The **Ethics Inquiry Board** reviewed one new complaint alleging the Respondent changed the terms of a note to give buyers of the partnership's property preferential position to the disadvantage of the limited partners. The Complainant also alleged the Respondent did not disclose changed material terms to the limited partners before proceeding with the transaction. The complaint will be investigated to determine whether it should be forwarded for hearing.

The **Hearing and Discipline Board** conducted two hearings. The first involved a complaint originally heard by the Hearing Board in May 2010. The Respondent appealed, and the appeal was considered by the Appeal Board in October 2010. The Complainant was the President of an HOA managed by the Respondent CPM[®]'s property management firm. In the original hearing, the Complainant alleged the CPM[®]'s firm failed to provide accurate, auditable financial records, and that the management company prepared its own invoices, adding unauthorized and undisclosed service fees.

The Hearing Board's initial decision was to terminate the membership of the CPM[®], who then appealed. Based on the information presented in October 2010, the Appeal Board sent the matter back to the Hearing Board for further consideration.

The Hearing Board considered the additional evidence and the testimony of the Respondent and the Respondent's witness and found the Respondent not in violation of the IREM[®] Code of Professional Ethics (Code).

In the second case, the Complainant CPM[®] was a former employee of the Respondent, **Timothy Settles**, CPM[®], owner and president of a property management firm. The Complainant charged the Respondent with accepting referral fees and commissions from three vendors without making the required disclosure to the client. The Complainant alleged violations of Articles 3, 6, and 7 of the Code and Article 2.12 of the Minimum Standards and Code of Ethics of the ACCREDITED MANAGEMENT ORGANIZATION.

The Hearing Board found the Respondent did not disclose the referral fees in writing to all clients. The Board found the Respondent in violation of Article 3 (Accounting and Reporting) and Article 7 (Conflict of Interest). The Hearing Board reached no conclusion with respect to Article 2.12 of the AMO[®] Code since an AMO[®] firm was not charged in the complaint. The Respondent's membership status will be suspended for one year. A published letter of censure will be issued and the Respondent must successfully complete ETH800 by April 11, 2012, or the suspension will be continued.

Disciplinary action was taken for the following members as a result of hearings in Orlando in October 2010:

- **Heather Summers**, CPM[®], was suspended for three years for violating Article 7, Conflict of Interest. The CPM[®] also received a published letter of censure and must successfully complete ETH800 by December 31, 2011 or membership status will be terminated.
- **Jose Antonio Nicolas**, CPM[®], was suspended for three years for violations of the Pledge, Article 1 (Loyalty to Client, Firm and/or Employer), Article 7 (Conflict of Interest) and Article 9 (Duty to Former Clients and Former Firms or Employers). The CPM[®] received a published letter of censure and must successfully complete ETH800 by December 31, 2011 or membership status will be terminated.
- **Kimberly Murray**, CPM[®], was suspended for one year for violations of the Pledge and Article 9 (Duty to Former Clients and Former Firms or Employers). The CPM[®] must successfully complete ETH800 by December 31, 2011 or membership status will be terminated.