

SOCIETY OF INDUSTRIAL AND OFFICE REALTORS: ANTITRUST GUIDELINES

This document offers guidance on how the Society of Industrial and Office Realtors (“SIOR”) and its members can minimize antitrust risks associated with their activities.

SIOR is a professional association of commercial real estate specialists who are dedicated to the highest principles of professional practice. The “mission of SIOR is to establish, maintain, and sustain a designation of the highest level for commercial real estate providers,” and SIOR’s members are regarded as the pre-eminent professionals in their fields.

The antitrust and competition laws of the United States, European Union, and other jurisdictions recognize that many forms of professional associations, similar to SIOR, enhance competition. But as with any association that provides opportunities for competitors to interact, procedures should be in place to ensure that SIOR’s activities do not result in its members reaching potentially unlawful agreements. Therefore, it is critical that SIOR and its members be sensitive to competition issues and concerns.

In addition, persons interacting with SIOR and others seeking financial gain may use the mere fact of competitor contacts to argue that unlawful agreements were reached even when no such agreements were in fact reached. SIOR desires to focus its energies on its core mission and not on defending meritless claims that might be brought by third parties or plaintiffs’ lawyers. As a result, these guidelines deliberately set standards of conduct for SIOR, its employees, and its members that are higher than those required by the competition laws of the U.S., Europe, and other jurisdictions. Where appropriate, and only with the advice of competition counsel, SIOR’s officers may authorize specific departures from these guidelines. But absent such specific authorization, all SIOR members and employees are required to adhere at all times to these guidelines.

SIOR should be careful not to make decisions involving existing or new members that reduce competition or materially impair a real estate professional’s incentive or ability to compete in the industry.

To minimize the risks of possible government or private antitrust challenges, this document provides important antitrust compliance guidelines. Failure to abide by these guidelines could expose SIOR, its members, and their personnel to civil and/or criminal liability under the antitrust and competition laws in the jurisdictions where SIOR operates. SIOR employees and members are responsible for complying with SIOR’s antitrust policy.

Because the application of antitrust and other competition laws is a fact-intensive process, these guidelines should be viewed as only the starting point of any analysis. Officers, employees, and members of SIOR should direct specific questions about these guidelines to

SIOR's CEO and President, who will seek legal advice from SIOR's legal counsel. SIOR members may also direct questions to their own respective legal counsel.

The following are general guidelines to assist SIOR and its members in avoiding potential antitrust problems when conducting Meetings:

1. A meeting should be held only if there are proper matters to be discussed which justify the meeting.
2. For each meeting, an agenda should be developed and provided to each attendee. If there are topics on the agenda that potentially deal with competition issues among members, the topic should be approved by SIOR's legal counsel before the meeting occurs.
3. The meeting agenda should be specific and avoid topics that may cause antitrust problems.
4. Participants at meetings should adhere strictly to the agenda. In general, subjects not included on the agenda should not be considered or discussed at the meeting.
5. If a subject of doubtful legality is brought up at a meeting, the person leading the discussion should be told immediately that the subject is not a proper one for discussion and discussion should be halted. Should the discussion continue despite protest, it is advisable that attendees leave the meeting.
6. Minutes of all meetings should be kept that accurately report what actions, if any, were taken.
7. Unscheduled, informal, secret, or "rump" meetings held in conjunction with the regular meetings should be avoided. Such meetings seriously jeopardize legitimate SIOR activities and create a very substantial risk of investigation. A SIOR staff member should attend all meetings.
8. No meetings should include recommendations with respect to "sensitive" antitrust subjects, such as those listed below.

The following are general guidelines to assist SIOR and its members in avoiding potential antitrust problems when communicating with other SIOR members:

9. The following types of communications and conduct between SIOR members is **not permitted** under any circumstances:
 - Reaching any agreement among competing members regarding prices, commissions, products or service features, or marketing practices that are not related to a specific transaction or listing in which the members are representing clients;

- Reaching any agreement among competing members regarding their allocation of customers, clients, or territories;
- Reaching any agreement among competing members regarding their joint refusal to deal with certain suppliers, customers or clients or other third parties;
- Attempting, in any fashion, to influence any other competing member's conduct of his or her individual operations;
- Agreeing to any restrictions on competition between or among the members;
- Basing a member's individual business decisions on any sensitive information received from other competing members; or
- Agreeing on standardized terms offered by competing members to customers or clients.

The following are general guidelines to assist SIOR and its members in avoiding potential antitrust problems when making Membership Decisions:

10. For New Members, SIOR shall establish reasonable standards regarding the criteria for admission. Exclusionary criteria that materially affect a real estate professional's ability to compete for real estate services may raise competition issues. SIOR **should not**:

- Summarily deny a qualified applicant's request for admission; or
- Adopt discriminatory membership rules and criteria that do not have a legitimate basis, especially if doing so provides a material competitive advantage to some or all existing members or a material competitive disadvantage to the applicant. Any such terms that arguably might create a competitive advantage or disadvantage should be reviewed by SIOR's legal counsel before becoming effective.

11. All proposed membership decisions that could result in a material competitive disadvantage to the applicant should be reviewed by SIOR's legal counsel before the decision is communicated to the applicant.

12. For Existing Members, SIOR should not give preference to one or more members vis-à-vis other members in any matter that affects a member's independent incentive or ability to meaningfully compete for real estate listing and brokerage services, unless there is a legitimate reason to do so.