

# CODE OF ETHICS

**Section 1:** It is the duty of the Member to protect the public against fraud, misrepresentation, or unethical practices in the yacht brokerage profession. Member should endeavor to eliminate any practices which could be damaging to the public or to the dignity and integrity of the yacht brokerage profession, and assist the Northwest Yacht Brokerage Association in regulating the practices of its membership.

**Section 2:** In accepting employment as an agent, Member pledges himself to protect the interests of his client. This obligation of absolute fidelity to the client's interest is paramount, but it does not relieve the Member from obligation of dealing fairly with all parties to the transaction.

**Section 3:** Since the Member may be representing one or more parties to a transaction, he should not accept compensation from more than one party under any circumstances without the full knowledge of all parties to the transaction.

**Section 4:** Member, for the protection of all parties with whom he deals, should ensure that financial obligations and commitments regarding brokerage transactions are in writing and express the exact agreement of the parties. Copies of such agreements must be placed in the hands of all parties involved at the time the agreements are executed, or as soon thereafter as practicable.

**Section 5:** Member must segregate from his own funds all monies being held for other persons. Separate special bank trust accounts should be used for this purpose.

**Section 6:** Member should not be a party to the naming of a false consideration in any document. No offer should be submitted either to an owner or to a cooperating Member, without an adequate cash deposit on hand from the person making the offer.

**Section 7:** In the event that more than one formal written offer on a specific vessel is made before the owner has accepted any offer (verbally or in writing), any other formal written offer presented to the Broker, whether by a prospective purchaser or another Broker, should be transmitted to the owner for his decision.

**Section 8:** Member should neither acquire nor sell an interest in, or buy for himself, any member of his family,

firm, or any entity in which he has substantial interest, vessels listed with him, or his firm, without making the true situation known to the listing owner or prospective purchaser.

**Section 9:** Member should use their best efforts to ascertain all pertinent facts concerning every vessel for which they accept the agency so that they may fulfill their professional obligation to avoid error, exaggeration, misrepresentation or concealment of pertinent facts.

**Section 10:** It is the duty of the Member to be well informed on current market conditions in order to be in a position to advise clients as to the fair market value of vessels.

**Section 11:** Member should not undertake to make an appraisal or render an opinion of value on any vessel where he has a present or contemplated interest unless such interest is specifically disclosed to all parties to the transaction. Member should not undertake to make an appraisal that is outside the field of his experience unless he obtains the assistance of an authority on such types of vessels, or unless the facts are fully disclosed to the client. In such circumstances, the authority so engaged should be identified and his contribution to the appraisal should be clearly set forth.

**Section 12:** Member should always recommend the timely employment of an independent qualified marine surveyor as a condition precedent to the completion of a brokerage transaction.

**Section 13:** Signs giving notice of any vessels for sale, rent, lease or exchange should not be placed on any vessel by more than one Member, and then only if specifically authorized by the owner.

**Section 14:** Member should not submit or advertise vessels without authority and in any offering the price quoted should not be other than that agreed upon with the owner as the offering price.

**Section 15:** Member in his advertising should be especially careful to present a true picture and should neither advertise without disclosing his identity, nor permit others in his brokerage entity to use individual names or telephone numbers, unless the connection with Member is obvious in the advertisement.

**Section 16:** Member should not engage in activities that constitute the practice of law and should recommend that legal counsel be obtained when the tax liability or legal interest of either party requires it.

**Section 17:** Member should cooperate with other Members on vessels listed with him whenever it is in the interest of the client. Negotiations concerning a vessel listed exclusively with one Member should be carried on with the listing broker, not the owner, except with the express consent of the listing broker. All shared commission agreements should be negotiated prior to the submission of an Offer to Purchase.

**Section 18:** The agency of the Member who holds an Exclusive or Central listing should be respected. A Member cooperating with the listing Member should not invite the participation of a third Member without the express consent of the listing Member.

A. OPEN LISTING: May be listed with more than one broker, or with no broker, but is common knowledge that the boat is for sale. (Commission may be undefined or on a gentlemen's agreement.)

B. CENTRAL LISTING: An agent or agency empowered to make all sales decisions and generally has the Power of Attorney. Listing should be available for co-brokerage.

C. EXCLUSIVE LISTING: At seller's request, one agent or agency has the exclusive rights to the listing and selling of his vessel. May or may not be available for co-brokerage.

**Section 19:** A Member should not voluntarily disparage the business practice of a competitor, nor volunteer an opinion of a competitor's transaction. If his opinion is sought, it should be rendered with strict professional integrity and courtesy.

**Section 20:** A Member should seek no unfair advantage over his fellow Member and should willingly share with them the lessons of his experience and study.

**Section 21:** In justice to those who place their interests in his care, the Member should endeavor always to be informed regarding laws, proposed legislation, governmental orders, and other essential information and public policies which affect those interests.

**Section 22:** Member should keep himself informed as to movements affecting recreation and yachting in his community, state and the nation so that he will be better able to contribute to public thinking on matters of taxation, legislation, marine use, waterfront planning, and other issues affecting bearing interests.

**Section 23:** A Member should so conduct his business as to avoid controversies with his fellow Members. In the event of a controversy between Members of the Northwest Yacht Brokerage Association, such controversy should be mediated in accordance with the mediation procedures of the association rather than litigated.

**Section 24:** When a Member is charged with unethical practice, he should place all pertinent facts before the proper tribunal of the Association for investigation and judgment.

**Section 25:** In the event a dispute involves both member broker and non-member parties, the Association will support its membership.

**Section 26:** When a dispute involves both member Brokers and non-member parties, the Association will conduct an independent investigation at the request of any interested party.

**Section 27:** It is in the best interest of society, of his associates, and of his own business that the Member be loyal to the Northwest Yacht Brokerage Association and be active in its work.

