

# Connecticut REALTORS®

## LEGAL ACTION FUND

### STATEMENT OF ORGANIZATION AND PROCEDURE

#### I. FUND NAME

Connecticut REALTORS® hereby establishes a Legal Action Fund as a restricted fund of the Association for the purposes set forth herein.

#### II. PURPOSE

The purposes and uses of the Legal Action Fund are:

- (1) Promote, among the Member Boards of the State Association, an understanding of their rights and duties under Connecticut Law and to defray the expense of legal services to that end.
- (2) Permit assistance by the Connecticut REALTORS® to the counsel of member Boards on matters relating to threatened or pending litigation or threatened or pending action by any State administrative agency against a Member Board.
- (3) Defray legal defense costs, including attorney and expert witness fees, in cases where the Connecticut REALTORS® or one or more Member Boards are made defendants in which the interests of the Connecticut REALTORS® or of all members of the Connecticut REALTORS® are placed in jeopardy or where principles of importance to all Member Boards of REALTORS® are involved.
- (4) Provide legal assistance to individual members on matters relating to (a) threatened or pending action by any State administrative agency or (b) threatened or pending litigation, where there is a substantial question involving the rights, obligations, or liabilities of real estate professionals the decision of which will affect all REALTORS®.
- (5) Provide for the retention of outside legal counsel, if necessary, to intervene in court cases as amicus curie or otherwise in order to promote the policies of the Connecticut REALTORS® or protect the interests of all of its members.

#### III. ADMINISTRATION

- (1) The Legal Action Fund shall be financed from such special dues and contributions from individual members and Member Boards and appropriations from the Connecticut REALTORS® as the Board of Directors may from time to time approve.
- (2) The Legal Action Fund shall be administered in accordance with the policies and procedures set forth herein.

#### **IV. FUNDING REQUESTS FROM MEMBER BOARDS**

- (1) Any request for assistance from the Legal Action Fund by a Member Board shall be submitted to the CEO of the Connecticut REALTORS® who shall forward the request to the Chairman of the Risk Reduction Committee. The CEO of the Connecticut REALTORS® shall concurrently notify the President of the Connecticut REALTORS® and all members of the Executive Committee.
- (2) Such request shall be executed by the President of the requesting Board, shall set forth the amount requested, and shall contain a statement of the facts of the matter for which the request is made and an outline of the actions which the requesting Board is undertaking or has undertaken to finance the matter itself including filing claims with all available insurance carriers. The statement of facts shall contain copies of all minutes of any Directors meeting of the requesting Board at which the matter for which funds are requested has been discussed.
- (3) The Risk Reduction Committee shall review the request and shall make a recommendation to the Executive Committee as to whether to approve the request. A funding request may be approved in whole or in part. In reviewing the request, the Committee may seek further information from the requesting Board and the opinions of any staff attorney or General Counsel of the Connecticut REALTORS® as it deems necessary.
- (4) The Risk Reduction Committee may place such condition on its approval of a funding request as it deems necessary to carry out the purposes of the Legal Action Fund, including, but not limited to, approval of counsel; receipt of copies of pleadings and court documents; periodic review by the Committee, Staff Attorney or General Counsel of the Connecticut REALTORS®; or repayment to the Legal Action Fund from any damages or insurance coverage awarded the Member Board.
- (5) The Executive Committee may accept or reject the Risk Reduction Committee's recommendation. If the Executive Committee rejects a recommendation to approve a request for funds, the requesting Board may appeal the Executive Committee's decision to the Board of Directors at the Director's next general meeting.
- (6) The Risk Reduction Committee shall not consider requests for funding for the prosecution of lawsuits or administrative proceedings against other members of the Connecticut REALTORS®

#### **V. FUNDING REQUESTS FROM INDIVIDUAL MEMBERS**

- (1) Any request for assistance from the Legal Action Fund by a Member shall be submitted to the CEO of the Connecticut REALTORS® who shall forward the request to the Chairman of the Risk Reduction Committee. The CEO of the Connecticut REALTORS® shall concurrently notify the President of the Connecticut REALTORS® and all members of the Executive Committee.
- (2) Such request shall be executed by the requesting Member, shall set forth the amount requested, and shall contain a statement of the facts of the matter for which the request is made. Such request shall

also contain a statement setting forth the reasons why the issues raised in the matter are of importance to all members of the Connecticut REALTORS®

- (3) The Risk Reduction Committee shall review the request and make a recommendation to the Executive Committee as to whether to approve the request. The request may be approved in whole or in part. In reviewing the request, the Committee may seek further information from the requesting Member and the opinions of any staff attorney or General Counsel of the Connecticut REALTORS® as it deems necessary.
- (4) The Risk Reduction Committee may place such condition on its approval of a funding request as it deems necessary to carry out the purposes of the Legal Action Fund, including, but not limited to, approval of counsel; receipt of copies of pleadings and court documents; periodic review by the Committee, the staff attorney or General Counsel of the Connecticut REALTORS®; or repayment to the Legal Action Fund from any damages or insurance coverage awarded the Member.
- (5) The Executive Committee may accept or reject the Risk Reduction Committee's recommendation.
- (6) Neither the Executive Committee nor Risk Reduction Committee shall consider requests for funds for the enforcement of arbitration awards or the prosecution of lawsuits or administrative proceedings against other members of the Connecticut REALTORS®

#### **VI. INTERVENTION IN LITIGATION**

- (1) The President, at the request of the Government Affairs Director, General Counsel and Chief Executive Officer of the Connecticut REALTORS®, may make a recommendation to the Risk Reduction Committee that the Connecticut REALTORS® intervene in those court cases (a) where there is a substantial question involving the rights, obligations, or liabilities of real estate professionals the decision of which will affect all REALTORS® or (b) where there is an opportunity to promote the policies or legislative goals of the Connecticut REALTORS®
- (2) The Risk Reduction Committee may approve intervention where no funding request is made. In reviewing the recommendation, the Committee may seek information or advice from the Chairman of other Connecticut REALTORS® committees including Legislative Committees and the opinions of the General Counsel of the Connecticut REALTORS® as it deems necessary.
- (3) Where funding is necessary in order to intervene, a funding request shall be made, considered and approved or disapproved following the same procedures set forth above for funding requests by a member Board.

#### **VII. OTHER**

The Chief Executive Officer may authorize expenditures from the Legal Fund in the following cases: (a) Member Boards have been threatened with litigation; (b) in the opinion of the Chief Executive Officer and General Counsel, it is likely that a Member Board will be threatened with litigation as a result of actions which the Member Board has taken; or (c) an investigation of factual circumstances or legal research for preventative legal action is, in the opinion of the Chief Executive Officer and General Counsel, warranted.