

**NORTH-AMERICAN ASSOCIATION OF  
TELECOMMUNICATIONS DEALERS**

**CODE OF ETHICS**

**AND**

**PROCEDURE FOR FILING AND PROCESSING COMPLAINTS**

*2009 EDITION*

**Joseph J. Marion, Executive Director**  
**North-American Association of Telecommunications Dealers (“NATD”)**  
**131 NW 1<sup>st</sup> Avenue**  
**Delray Beach, Florida 33444**

**Phone: (561) 266-9016**  
**Fax: (561) 266-9017**  
**Email: [jmarion@natd.com](mailto:jmarion@natd.com)**

## **CODE OF PROFESSIONAL CONDUCT AND PRACTICES**

Members of the North-American Association of Telecommunications Dealers (the “NATD”), and Subscribers to the North-American Association of Telecommunications Dealers Trading Network (the “NTTN”) have pledged to honor and abide by the Code of Ethics (the “Code”) to ensure the public of high standards in all dealings with NATD Members and NTTN Subscribers.

The NATD seeks to enforce the Code through an Ethics Committee consisting of members of the NATD Board of Directors, which considers alleged violations and renders Sanctions, including suspension or expulsion from the NATD and/or the NTTN.

The Code reflects the dedication of the Members of the NATD and Subscribers to the NTTN to maintain the highest level of ethics and responsibility in their relationship with the public, other dealers and customers.

### **The Code**

Members of the NATD and Subscribers to the NTTN agree to the following:

#### **Article 1**

To maintain and enforce high standards of ethical professional conduct making Membership in the NATD a recognized mark of experience, integrity and competence.

#### **Article 2**

To regard as confidential all information concerning the business and affairs of the customer.

#### **Article 3**

To conduct business in a manner which brings credit to and enhances the reputation of the telecommunications industry.

#### **Article 4**

To publicize products and services in a professional manner, avoiding all conduct, practices and promotions likely to discredit the industry.

#### **Article 5**

To broaden public understanding and enhance confidence in the telecommunications industry so that customers and users will be encouraged to use Member products and services as their primary resource.

## **Article 6**

In keeping with these principles, Members of the NATD and Subscribers to the NTTN make the following pledge:

- a) To follow through and complete any agreement made verbally or otherwise to any NATD Member or non-member, prospect or customer.
- b) To conclude a transaction in a competent and professional manner once the parties have agreed to complete a specific transaction.
- c) To honor an offer that has been accepted as expeditiously as possible.
- d) To fully disclose all limitations on the authority of an employee or agent representing a Member or Subscriber in a transaction.
- e) To use only one name, identity or affiliation in all business transactions, negotiations and competitive bidding environments. Those companies doing business in a variety of capacities under one legal entity are viewed as one. For example, individual companies engaged in secondary market brokerage, manufacturer authorized resale of products or services, independent software vendor sales or service and/or the provision of direct or indirect third-party maintenance and support are considered as one for purposes of this Code of Ethics and may not appear as multiple or separate organizations in the course of one transaction for any purpose including bidding or conflict resolution.
- f) To refrain from disparaging others by statement or innuendo.
- g) To respond to any complaint alleging violation of the Code and participate in all proceedings prescribed by the NATD Board of Directors.

## **Conclusion**

The Ethics Committee reviews infractions of the Code with regard to ethical behavior and the integrity of its Members and NTTN Subscribers. Members found in violation of the Code will be subject to disciplinary action, including suspension and/or expulsion from the NATD and/or NTTN.

# PROCEDURE FOR FILING AND PROCESSING COMPLAINTS

## Preamble

This Procedure for Filing and Processing Complaints (the “Complaint Procedure”) has been developed to provide an orderly process for resolving complaints alleging violations of the NATD Code of Ethics. The Complaint Procedure explains how complaints will be filed and processed by the Ethics Committee. The Ethics Committee consists of Members of the Board of Directors of the Association. The Committee does not render awards of monetary damages.

## Definitions

“Association” or “NATD” as used herein means the North-American Association of Telecommunications Dealers.

“Code” as used herein means the NATD Code of Ethics.

“Complainant” as used herein means the party filing a complaint.

“Ethics Committee” as used herein means the NATD Board of Directors.

“NTTN” as used herein means the North-American Association of Telecommunications Dealers Trading Network.

“Principal” as used herein means an owner of the business or executive officer or general manager. The term may also include a key employee of the business who has substantially participated in an activity giving rise to a violation of the NATD Code of Ethics.

“Respondent” as used herein means the party against whom a complaint is filed.

“Service” as used herein means the process by which a Respondent receives a complaint.

“Subscriber” as used herein means a subscriber to the North-American Association of Telecommunications Dealers Trading Network.

## I. Filing a Complaint

### A. Against Members

Members, subscribers, or non-members of the Association may file complaints against Members of the Association. By filing a complaint, a non-member agrees to be bound by the Code, follow the Complaint Procedure and participate in proceedings hereunder.

## B. Against Subscribers

Members, subscribers, or non-members of the Association may file complaints against Subscribers to the NTTN. A complaint filed against a Subscriber, who is a non-member, is treated as a filing against a Member. By filing a complaint against a Subscriber, a non-member agrees to be bound by the Code, follow the Complaint Procedure and participate in proceedings hereunder.

## C. Against Non-Members

The Association does not have jurisdiction over non-members. However, if a non-member is willing to abide by the Code and participate in these proceedings, the Ethics Committee, at its discretion, may process the complaint.

# II. Complaint Procedure

## A. Form of Complaint

1. All complaints must be in writing on a NATD Complaint Form and sent to the NATD Administrative Office. NATD Complaint Forms are available through the NATD Administrative Office, or on the Internet at <http://www.natd.com>.
2. The complaint must include the following: (a) a brief summary of the facts; (b) the party against whom the complaint is filed; (c) the specific Articles of the Code alleged to have been violated; and (d) the act that constitutes the alleged violation. Copies of all relevant supporting documents must be submitted with the complaint.

## B. Ethics Committee Procedures

### 1. Processing and Service of Complaint and Response

- (a) Upon receipt of the completed complaint form and all relevant documents, the case will be forwarded to the Chair of the Ethics Committee (the "Chair") for processing.
- (b) The Chair will review the complaint and, assuming the facts to be true, make a threshold determination as to whether the facts, as alleged, constitute a violation of the Code.
- (c) If the threshold determination is that a violation did not occur, the matter will be closed.
- (d) If the threshold determination is that a violation did occur, the complaint will be served on the Respondent initiating the proceedings. Service is sufficient if a copy of the complaint is sent to the Respondent using any of the following methods and if it reasonably appears that a representative of the Respondent has received it:

- certified mail return receipt requested, or
  - private delivery service when a valid street address is available for the Respondent, or
  - first class U.S. mail, or
  - international registered mail return receipt requested, or
  - international first class mail; or
  - E-mail.
- (e) Following Service of the complaint, the Chair will attempt to resolve the issues giving rise to the complaint. If this initiative is successful, the matter will be dismissed without further proceedings. If this initiative is not successful, the Respondent must submit a written response to the complaint as provided in Paragraph II B 1 (f).
- (f) Upon Service of the complaint, the Respondent shall file a written response within 20 days thereafter. If a response is not received within 20 days of Service, the following actions will occur:
- (i) If the complaint is against a Member or Subscriber, the Member or Subscriber shall receive a Level 4 Sanction.
  - (ii) If the complaint is against a non-member, the lack of response will be taken as a refusal to participate. Notice of such refusal will be given to the Members. The Complainant and Respondent will be informed that notice will be placed in the Association's periodic publication, announced at an Association meeting, made a part of the Association's permanent record and posted on the Association's Internet Home Page. No further action will be taken by the Ethics Committee. Non-members and/or non-subscribers who have refused to participate in the ethics process are prohibited from applying to become an NATD Member or an NTTN Subscriber; provided, however, that the NATD Chair, the NATD Executive Director and the NATD Ethics Committee Chair, acting together, may allow future applications when it appears to them that the matter that gave rise to the complaint has been reasonably resolved.
- (g) If a response is received, a copy will be sent to the Complainant, and the matter will be set for hearing.
- (h) If the Respondent has a counterclaim against the Complainant that arises out of substantially the same nucleus of facts as set forth in Complainant's complaint, then said counterclaim must be stated in Respondent's response or is thereafter barred. Complainant must respond to any such counterclaim in the same manner as provided above for complaints.

## 2. Hearing

- (a) After Service of the Response, the Chair will schedule a hearing involving the Complainant, Respondent and the Hearing Panel.
- (b) The Hearing Panel consists of three Members of the Ethics Committee (“the Hearing Panel”). Copies of the complaint, response and all supporting documents will be forwarded to the Members of the Hearing Panel.
- (c) Both parties will be given an opportunity to participate, with counsel or without counsel, on a teleconference with the assigned Hearing Panel. If a Complainant chooses not to participate in the hearing process, the complaint will be heard on the basis of the complaint, together with evidence submitted by the Respondent. Failure of the Respondent to participate in the hearing process may, unless excused in advance by the Chair, result in a finding against the Respondent.
- (d) The hearing will last 30 minutes, during which each party will be allotted 10 minutes to state the facts and present any evidence. Members of the Hearing Panel may conduct a question/answer session after the presentation of evidence. Following the hearing, the matter will be taken under advisement by the Hearing Panel, and a written decision will be rendered accordingly.

## III. Sanction Levels

- A. It is the responsibility of the Hearing Panel to determine whether: (a) the information presented constitutes a violation of the Code; (b) the information presented does not constitute a violation of the Code; or (c) the facts as presented are inconclusive as to whether a violation of the Code occurred. If a violation is found, the Hearing Panel will recommend any of the following sanctions:
  1. **Level 1:** A finding of violation with notice given only to the Complainant and the Respondent.
  2. **Level 2:** A finding of violation with notice given to the Membership and the Ethics Committee. The notice will contain the name of the Respondent, the name of the Complainant, the Sanction and violation.
  3. **Level 3:** A finding of violation with a recommendation from the Hearing Panel to the Ethics Committee to suspend the Member’s privileges from the Association and/or the Subscriber’s access to the NTTN for a specified length of time not to exceed 12 months. The recommendation shall become final, without further action on the part of the Ethics Committee, upon service of the recommendation of the Hearing Panel upon the Respondent and passage of the appeal period without notice of appeal. In the event of an appeal from a recommendation of suspension by the Hearing Panel, a two-thirds vote of the Ethics Committee shall be required to sustain the appeal. The decision of the Ethics Committee on appeal shall become effective on the date the Ethics Committee renders its decision. The

4. **Level 4:** A finding of violation with a recommendation from the Hearing Panel to the Ethics Committee for expulsion from the Association and/or removal from the NTTN; and indefinitely prohibiting the Member and/or Subscriber from re-applying for membership in the NATD and from re-applying for subscription rights to the NTTN. The recommendation shall become final, without further action on the part of the Ethics Committee, upon service of the recommendation of the Hearing Panel upon the Respondent and passage of the appeal period without notice of appeal. In the event of an appeal from a recommendation of expulsion by the Hearing Panel, a two-thirds vote of the Ethics Committee shall be required in order to sustain the appeal. The decision of the Ethics Committee on appeal shall become effective on the date the Ethics Committee renders its decision. The Respondent may appeal a recommendation of the Hearing Panel with or without the assistance of legal counsel. Notice of the decision of the Ethics Committee shall be served on the Respondent and Membership as provided for herein.
- B. In the event of a Level 3 or 4 Sanction, no action will be taken for 15 days, pending an appeal. In the event no appeal is taken, the decision shall become final and binding, and the matter will be considered concluded.
  - C. If the Ethics Committee does not confirm the Hearing Panel's recommendation, the case will be returned to the Hearing Panel for further review consistent with the determination of the Ethics Committee.

#### **IV. Principals**

Sanctions under Section III will apply to the Principal(s) of a party against whom a sanction has been rendered as though rendered against said Principal(s) individually, and will attach to any company in which the Principal is or becomes affiliated, whether as equity owner or officer, including, but not limited to an employee, and will prevent such company from becoming an NATD Member or NTTN Subscriber until the Ethics Matter giving rise to the Sanction is resolved in the judgment of the NATD Chair, the NATD Executive Director, and the NATD Ethics Committee Chair, acting together.

#### **V. Withdrawal**

In the event a party attempts to withdraw its complaint or the parties agree to dismiss the complaint, the Ethics Committee reserves the right to take further action on the complaint. Once a complaint has been heard, settlements made between the parties will not alter the Ethics Committee's findings.

## **VI. Multiple Complaints Against a Party**

### **A. Two or More Complaints for Non-Payment**

If one or more complaints for non-payment against a party are received by the Ethics Committee Chair during the time a complaint for non-payment is being processed against the same party, or within 30 days following the date on which the same party was sanctioned for non-payment; then the following actions shall be taken:

1. The Ethics Committee Chair shall advise the NATD Chair, the NATD Executive Director, and NATD Legal Counsel of the additional complaint(s); and
2. The Ethics Committee Chair, the NATD Chair, and the NATD Executive Director, in consultation with legal counsel, shall determine if any NATD representative should make additional inquiries about the facts and circumstances of the additional complaint(s); and
3. Upon completion of the inquiries, if any, the Ethics Committee, in consultation with legal counsel, may determine that the NATD membership should be notified by the Executive Directive of the complaints, including a disclaimer that the NATD has made no determination concerning the merits of the complaints.

For purposes of this Section VI A, complaints must be for non-payment in circumstances where there is no other substantial dispute between the parties, and complaints must be submitted in accordance with the NATD Procedure for Filing and Processing Complaints.

### **B. Three or More Complaints in One Year**

In the event three complaints resulting in Level 2 or Level 3 Sanctions have been filed against a member or subscriber within any 12-month period, the Ethics Committee may upon its own initiative, expel the member or subscriber. The member or subscriber shall have 15 days to appeal the decision of the Ethics Committee to the NATD Board of Directors. If no appeal is taken or if the decision is upheld, the expulsion will become final and binding.

## **VII. Responses to Inquiries**

- A. Matters involving Level 1 sanctions are and will remain private and confidential.
- B. Matters involving Level 2 through Level 4 sanctions are a matter of public record. Only the parties involved, sanction level and the Code provision(s) that were violated will be divulged.
- C. A copy of the notice sent to the Membership regarding three complaints against one company, pursuant to Paragraph VI B, shall be furnished in response to any inquiry.

## **VIII. Attendance at Association Meetings Pending Resolution of an Ethics Complaint**

### **A. Pending Resolution of an Ethics Complaint**

During the period from when an Ethics Complaint has been served and continuing until the complaint process, including any appeal, is completed, non-member Respondents will be prohibited from attending meetings and functions sponsored by the NATD; provided, however, but for extraordinary circumstances, non-members who agree in advance to participate in the NATD Ethics Process shall be allowed to attend a meeting or other function sponsored by the NATD. The process for attendance verification will be determined by the Ethics Committee Chair. The NATD Chair, the NATD Executive Director, and NATD Ethics Committee Chair, acting together, may make exceptions to this general rule if in their judgment extraordinary circumstances exist.

### **B. Following Imposition of Sanction**

Parties, including Principals, against whom sanctions have been imposed, and are not resolved, may be prohibited from attending NATD meetings and functions, and non-members and non-subscribers are prohibited from applying to become an NATD Member or an NTTN Subscriber; provided, however, that the NATD Chair, the NATD Executive Director and the NATD Ethics Committee Chair, acting together, may allow future applications when it appears to them that the matter that gave rise to the sanction has been reasonably resolved.

## **IX. Announcements, Publication; Posting**

Findings of violation with a Level 2, 3 and 4 sanction are announced publicly at the next regularly scheduled meeting of the NATD, published conspicuously in the NATD monthly news letter or periodical and posted in the Members only section of the NATD Website.

## NATD ETHICS COMPLAINT FORM

Important: This form must be completed in its entirety. Please forward the Complaint to the NATD Administrative Office, 131 NW 1<sup>st</sup> Avenue, Delray Beach, FL 33444.

The undersigned hereby asserts that there has been a violation of the NATD Code of Ethics (See enclosed copy.) The particulars follow:

<i>COMPLAINANT</i>	<i>RESPONDENT</i>
Company:	Company:
Street:	Street:
City:	City:
State, Zip:	State, Zip:
Phone:	Phone:
Fax:	Fax:
Contact Person:	Contact Person:
Email:	Email:
NATD Member? <span style="float: right;"><input type="radio"/> YES <input type="radio"/> NO</span>	NATD Member? <span style="float: right;"><input type="radio"/> YES <input type="radio"/> NO</span>
NTTN Network Subscriber? <span style="float: right;"><input type="radio"/> YES <input type="radio"/> NO</span>	NTTN Network Subscriber? <span style="float: right;"><input type="radio"/> YES <input type="radio"/> NO</span>

*ALLEGED CODE VIOLATION: ARTICLE(S):*

Is this complaint being filed with any other association?  YES  NO

If yes, please disclose which association(s). \_\_\_\_\_

Give a brief statement of the facts giving rise to this complaint. If you require additional space, please use a separate sheet and attach it to this form.

Complainant \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
(signature)

**FOR NATD USE ONLY:** Date Received \_\_\_\_\_ Date Processed \_\_\_\_\_ Case Number \_\_\_\_\_

**NATD ETHICS RESPONSE FORM**

Respondent Company Name \_\_\_\_\_

Contact Person \_\_\_\_\_ Title \_\_\_\_\_ Phone \_\_\_\_\_

Please forward to the NATD Administrative Office, 131 NW 1<sup>st</sup> Avenue, Delray Beach, Florida 33444.

Give a brief statement of the facts in this case as you see them. If you require additional space, please use a separate sheet and attach it to this form.

Respondent \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
(signature)

**FOR NATD USE ONLY:**

Date Received \_\_\_\_\_ Case Number \_\_\_\_\_ Date Sent to Committee/Complainant \_\_\_\_\_