

NAID Complaint Resolution Council Guidelines

I. Preamble

Whether as a NAID member, a customer of a NAID member or a member of the general public, we all have a concern with the ethical behavior of all NAID members. To facilitate the handling of any ethics complaints, the procedure set forth herein will be followed. If the complaint is of a criminal nature, it must and will be reported immediately to the proper legal authorities.

II. Making a Complaint

1. If you perceive that the behavior of a NAID violates the Code of Ethics adopted by the membership of the NAID, then:
 - a) Reference the written Code of Ethics and seek advice and/or guidance as necessary from the NAID Executive Director.
 - b) Where appropriate, you are encouraged to initiate discussion with the organization or individual with whom you have a personal concern ("Respondent") about their professional ethics and behavior to clarify, confront and resolve the situation as soon as possible. If you believe that the matter involves a violation of NAID trademarks or otherwise directly damages NAID, or if you do not wish to discuss the matter yourself with the Respondent, you should refer the matter to the NAID Executive Director, in which case it shall be investigated and, if warranted, a complaint may be brought by the Executive Director on behalf of NAID.
 - c) If you are unable to confront or resolve the situation to your satisfaction, a written complaint, along with any supporting evidence, may be sent to the NAID Executive Director for his help in resolving the issue.
 - d) If the Executive Director is unable to resolve the issue, he will forward the written complaint to the NAID Board of Directors and the Complaint Resolution Council. At the same time, a copy of the written complaint must also be provided to the organization or individual against whom you are registering a complaint. Such complaint of an alleged breach of ethics must be formally initiated no later than one (1) year after the situation occurred.

The NAID Board of Directors will request the Complaint Resolution Council to recommend sanctions on all publicized ethics violations by members.

2. Confidentiality is to be strictly adhered to by all individuals involved in the complaint resolution process and subsequent review and investigation including the Complainant, the Respondent, members of the Council and the NAID Board members in order to ensure a factual, fair and effective review and investigation and to promote the dignity of all involved.
3. Upon receipt of a written complaint by the council, a meeting of the Council must be called by the Chairperson within thirty (30) days. All parties to the complaint will be invited to participate in the meeting of the CRC where the matter will be considered. If deemed necessary further investigation may be undertaken.
4. After the Council's first meeting regarding a written complaint, a letter indicating the names of Council members, the names of the people involved in the complaint, and the dates pertinent to the issue must be sent to the people involved and to the members of the NAID Board of Directors. The letter will also describe the Council's initial plan of action and/or decisions, and information on the appeal procedure.

The Council will take one of the following actions:

- Conduct an investigation;
- Refer the matter to a more appropriate agency or individual for resolution; or,
- Refer the matter with findings and recommendations to the Board of Directors, with further proceedings by the Council to be held in consideration.

5. Should the Council decide to conduct an investigation, it will be reviewed and conducted in a timely manner. This will include speaking with the person initiating the complaint (“Complainant”) and the NAID member against whom the complaint is made (“Respondent”). Other people may be interviewed and evidence may also be sought as deemed appropriate by the Council. All such contact and review will be documented in writing.

6. Upon completion of the investigation, the Council will issue a written notice of the findings to the NAID Board of Directors, including recommendation as to any action to be taken. The Board of Directors may request an optional legal review of the matter prior to issuing its decision. After authorizing any action to be taken, the Board will forward all findings and its decision on the action to be taken to the Complainant, the Respondent and members of the Council.

7. The Council members and all those involved in a complaint resolution procedure have the right and are encouraged to call upon advisors for the purpose of gathering information or seeking support or legal or other counsel.

8. All members involved in the complaint shall have full access to all correspondence.

III. Appealing a Decision

1. Either the Complainant or the Respondent may appeal the decision of the Board. The appeal must contain the basis upon which the appeal is being taken including any disagreement with the findings of fact, the recommendation of the Council to the Board or the decision of the Board. Notice of the appeal must also be sent to the other party.

A Notice of Intent to Appeal by either party must be received or postmarked no later than fifteen (15) normal business days from the date of notification of the decision issued by the Board and the formal appeal by either party must be received or postmarked no later than forty-five (45) calendar days from the date of the receipt of notification of the decision issued by the Board.

If a notice of intent to appeal is not received or postmarked on or before the 15th normal business day after receipt of the Action Notification Letter, the board will initiate the action described therein.

2. Appeals are to be submitted to the NAID corporate office and registered. The appeal, and any additional relevant information, will be forwarded directly to the Board of Directors to be considered at the next meeting of the Board of Directors that falls more than 2 weeks after the receipt of the Appeal. All parties to the complaint will be invited to participate in the meeting of the Board where the matter will be considered. If deemed necessary further investigation may be undertaken. A ruling on the appeal, binding on both parties and the Council, will be issued by the NAID Board of Directors no later than ninety (90) days after its receipt of the appeal.

3. Where a case is resolved against a NAID member s/he may, depending on the circumstances and the gravity of the charge, be suspended from the NAID membership or be subject to other condition sanctions as may be deemed appropriate. It is intended that NAID members will be focused towards resolution rather than reprimand wherever possible. Details of cases in which members are found in breach of the NAID Code of Ethics may be published in such a manner as the Complaint Resolution Council shall deem appropriate.

Sanctions available to the Council range from exoneration to termination.

Exoneration: No action to be taken other than inserting it into the records.

Admonition: A caution or advisory against such activity.

Private censure: Notification to the Respondent and Complainant that the Board has determined that a violation has occurred.

Public censure: Additional notification sent to the news media indicating the offender, the nature of the offense and the seriousness of the sanction.

Suspension of membership: Temporary revocation of membership.

Termination of membership: Permanent bar to membership.

IV. Guidelines for Posting Corrections and CRC Sanctions on the NAID Website

The NAID CRC reserves the right to post information to the NAID website or elsewhere, with the approval of the NAID Board of Directors, under the following conditions:

- 1) To correct false information that appears elsewhere in such a manner that it cannot be otherwise corrected and may therefore cause harm to NAID or NAID Members.
- 2) To post information regarding any firm that does not comply with sanctions approved by the NAID Board of Directors
- 3) To list any firm whose NAID Membership has been terminated or who has been publicly sanctioned
- 4) To post expiration, non-renewal and termination of NAID Certification for a period of 12 months after said event

Such items may only be posted after the NAID Board of Directors approval.

Information posted shall be factual in nature and limited to:

- a. A brief synopsis of the problem
- b. A correct statement of facts, including any sanctions
- c. The remedy as recommended by the NAID Board of Directors (if applicable)

Items shall remain listed on the web site until:

- a. The misleading information is corrected at its source or is no longer effective as a source for communicating such information.
- b. The firm has complied with the sanctions of the NAID Board of Directors.
- c. The expiration of the predetermined announcement period (see #4 above)

Complaint Resolution Council Membership

1. The Complaint Resolution Council shall consist of seven members. All members of the NAID Complaint Resolution Council must be considered a member-in-good-standing for a minimum of one (1) year prior to joining the Council.

2. The position of Chairperson shall be appointed from the Membership by the NAID President, with the approval of the Board of Directors, and shall be held for a two (2) year term. The term of any Chairperson may be extended in one (1) year increments at the discretion of the NAID President with the approval of the NAID Board of Directors. If the position of Chairperson becomes vacant for any reason, the President may appoint a qualified replacement from the Membership, with the approval of the NAID Board of Directors. The initial two (2) year term of any Chairperson will commence from the date of their approval by the NAID Board of Directors.

3. The other six members of the Council will be appointed from the Membership by the President, with the approval of the NAID Board of Directors, to serve a two (2) year term. The term of any Council member may be extended in one (1) year increments at the discretion of the Council chair with the approval of the NAID Board of Directors. If a Council seat becomes vacant for any reason, the President may appoint a qualified replacement from the Membership, with the approval of the NAID Board of Directors. The initial two (2) year term of any Council member will commence from the date of their approval by the NAID Board of Directors.

4. A quorum for the Complaint Resolution Council will be three (3) members present. In the event that a member is unable to deal with a formal complaint, the remaining Council members will choose an alternate from the membership at large, subject to input by the Board of Directors, to meet quorum requirements. After a meeting of the Council, any such appointed alternate member is expected to stay as an alternate to said Council until the end of the specific complaint resolution procedure.

5. Definition of Meeting: Any director participating in a meeting of the Council may participate by means of telephone conference call or by any means of communication by which all persons participating in the meeting are able to hear one another and otherwise fully participate in the meeting. Any member participating in a meeting of the council may participate by any other electronic means allowed, at the time the meeting takes place. Such participation shall constitute presence in person at the meeting.

6. Action by Unanimous Written Consent: Any action that may be taken at a meeting of the council may be taken without a meeting if all of the members entitled to vote thereon consent thereto in writing.

7. A Council member must report any conflict and voluntarily remove him/herself from participating in the consideration of the specific complaint in which the conflict arises. If a formal complaint involves a member of the Council, that member must immediately step down until the matter has been settled. The Council may reinstate the member, after resolution has been reached, as appropriate.

8. All Council members must ensure that the Executive Director receives a copy of any correspondence involving a Council issue.