

# **AscdiNatd**

## **CODE OF ETHICS**

**AND**

## **PROCEDURE FOR FILING AND PROCESSING COMPLAINTS**

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## **CODE OF ETHICS**

Members of the Association of Service and Computer Dealers International/North-American Association of Telecommunications Dealers (“AscdiNatd”) and Subscribers to the Equipment Trading Network (“eTN”) have pledged to honor and abide by the Code of Ethics (the “Code”) to ensure the public of high standards in all dealings with AscdiNatd Members and eTN Subscribers.

The AscdiNatd seeks to enforce the Code (as such term and other capitalized terms used herein are defined in the following Procedure for Filing and Processing Complaints) through an Ethics Committee consisting of members of the AscdiNatd Board of Directors, which considers alleged violations and renders Sanctions when appropriate, including but not limited to, suspension or expulsion from the AscdiNatd and/or the eTN.

The Code reflects the dedication of Members and Subscribers to maintain the highest level of ethics and responsibility in their relationship with the public, other members of the industry and customers, making Membership in the AscdiNatd a recognized mark of excellence, experience, integrity and competence.

### **The Code**

Members of the AscdiNatd and Subscribers to the eTN agree to, and seek to conduct business with companies in the industry who adhere to, the following:

#### **Article 1**

To maintain and enforce the highest standards of ethical professional conduct. As guidelines to what is required, Members should refer to the Code and current local, state and federal laws and regulations.

#### **Article 2**

To regard as confidential all information concerning the business and affairs of the customer, exercising the same degree of care it uses to protect its own confidential information of similar importance.

#### **Article 3**

To conduct business in a manner which brings credit to and enhances the reputation of the computer and telecommunications hardware, maintenance services and leasing industry.

#### **Article 4**

To publicize products and services in a professional manner, avoiding all conduct, practices and promotions likely to discredit the industry. In no event shall a Member or Subscriber use trademarks or copyrighted work in a manner that would be inconsistent with governing law.

## **Article 5**

To broaden public understanding and enhance confidence in Members and Subscribers that provide hardware, maintenance services and leasing solutions so that customers and users will be encouraged to use products and services of such companies, who subscribe to this Code, as a primary resource.

## **Article 6**

In keeping with the principles set forth above, Members and Subscribers make the following pledge (and in return expect of companies with which they do business to make the same pledge):

- a) To follow through and complete any agreement made verbally or otherwise to any Member or non-Member, Subscriber or non-Subscriber, 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 within the agreed upon timeframe.
- d) To fully disclose all limitations on the authority of an employee or agent representing a Member or Subscriber or a non-Member or non-Subscriber in a transaction.
- e) To take appropriate action when it is discovered that a Principal of the Member or Subscriber or any other employee or agent of the Member or Subscriber has failed to abide by this Code.
- f) 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, leasing, and/or the provision of direct or indirect third-party maintenance and support are considered as one for purposes of this Code and may not appear as multiple or separate organizations in the course of one transaction for any purpose including bidding or conflict resolution.
- g) To comply with the laws and regulations of all applicable local, state, federal and other jurisdictions.
- h) To refrain from disparaging others by statement, innuendo or in any media.
- i) To respond to any Complaint alleging violation of the Code and participate in all proceedings prescribed herein.

## **The Ethics Committee**

The Ethics Committee reviews infractions of the Code with regard to ethical behavior and the integrity of Members and Subscribers and non-Members and non-Subscribers against whom Complaints are filed. Members or Subscribers found in violation of the Code will be subject to disciplinary action, including but not limited to, suspension and/or expulsion from the AscdiNatd and/or the eTN.

### **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 Code. The Complaint Procedure explains how Complaints will be filed and processed by the Ethics Committee. The Committee does not render awards for monetary damages.

#### **Definitions**

The following terms, as used herein, shall have the meanings set forth below:

“Association” or “AscdiNatd” means the Association of Service and Computer Dealers International/North-American Association of Telecommunications Dealers.

“AscdiNatd Chair” means the Chairman of the Association.

“Board of Directors” means the Board of Directors of the Association.

“Code” means the AscdiNatd Code of Ethics.

“Complainant” means the party filing a Complaint.

“Complaint” means a formal complaint filed by a Member or non-Member or a Subscriber or non-Subscriber as provided in Section IIA hereof.

“Complaint Procedure” means the procedure for filing and processing Complaints under the Code.

“Ethics Committee” means the committee charged with enforcement of the Code and the Complaint Procedure, consisting of the members of the Board of Directors.

“Ethics Chair” means the Chairperson of the Ethics Committee, as designated by the Board of Directors.

“eTN” means the Equipment Trading Network.

“Executive Committee” means the Executive Committee of the Board of Directors, appointed pursuant to the By-laws of the Association.

“Hearing” means a hearing convened by the Ethics Chair to hear a Complaint in accordance with Section II B 2 hereof.

“Hearing Panel” means a panel consisting of three Members of the Ethics Committee appointed by the Ethics Chair to hear a Complaint.

“Member” means a member of the Association.

“Principal” means an owner of the business or executive officer or general manager.

“Respondent” means the party against whom a Complaint is filed.

“Sanction” means a sanction imposed hereunder by the Hearing Panel upon finding a violation of the Code.

“Service” means the process by which a Respondent receives a Complaint.

“Subscriber” means a subscriber to the Equipment Trading Network.

## **I. Filing a Complaint**

### **A. Against Members**

A Member, Subscriber, or non-Member and non-Subscriber may file a Complaint against a Member. If a Complaint is filed by a non-Member and/or non-Subscriber, such non-Member or non-Subscriber agrees to be bound by the Code, follow the Complaint Procedure and participate in the proceedings hereunder and abide by the decision of the Ethics Committee.

### **B. Against Subscribers**

A Member, Subscriber, or non-Member or non-Subscriber may file a Complaint against a Subscriber. A Complaint filed against a Subscriber, who is a non-Member, is treated in the same manner as a filing against a Member. If a Complaint is filed by a non-Member and non-Subscriber, such non-Member and non-Subscriber agrees to be bound by the Code, follow the Complaint Procedure and participate in the proceedings hereunder and abide by the decision of the Ethics Committee.

### **C. Against Non-Members**

Members, Subscribers, or non-Members and non-Subscribers may file Complaints against non-Members and non-Subscribers. The Association does not have jurisdiction over non-Members or non-Subscribers. However, if a non-Member and non-Subscriber is willing to abide by the Code and participate in the proceedings hereunder, 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 an AscdiNatd Complaint Form and sent to the AscdiNatd Administrative Office. AscdiNatd Complaint Forms are available through the AscdiNatd Administrative Office, or on the Internet at <http://www.ascdi.com/file-an-ethics-complaint/>.
2. The Complaint must include the following: (a) the party against whom the Complaint is filed;(b) a brief summary of the facts; (c) the specific Articles of the Code alleged to have been violated; (d) the act that constitutes the alleged violation; and (e) copies of all relevant supporting documents and other evidence the Complainant wishes to have considered.

### B. Ethics Committee Procedures

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

- (a) Upon receipt of a completed Complaint form and all relevant documents, the Complaint will be forwarded to the Ethics Chair for processing.
- (b) The Ethics Committee reserves the right, in its sole discretion, to decline to hear any Complaint.
- (c) The Ethics Chair will review the Complaint and make a threshold determination as to whether the facts, as alleged, constitute a violation of the Code.
- (d) If the threshold determination is that, assuming the facts to be true, a violation did not occur, the Ethics Committee shall decline to hear the Complaint, the Complainant will be notified, and the matter will be closed.
- (e) If the threshold determination is that, assuming the facts to be true, 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 first class mail; or
  - E-mail.
- (f) Following Service of the complaint, the Ethics Chair will attempt to mediate the issues giving rise to the Complaint.

- (g) If mediation of the Complaint is not successful, Respondent shall file a written response within 20 days following Service of the Complaint, which response must include all relevant supporting documents and other evidence the Respondent wishes to have considered. If a response is not received within 20 days of Service, then, at the discretion of the Ethics Committee, 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 and Subscribers. The Complainant and Respondent will be informed that such notice will be announced at an Association meeting, made a part of the Association's permanent record and posted on the Association's web site. No further action will be taken by the Ethics Committee. Non-Members and non-Subscribers who have refused to participate in the Ethics process are prohibited from applying to become an AscdiNatd Member or an eTN Subscriber; provided, however, that the AscdiNatd Chair and the Ethics Chair, in consultation with the AscdiNatd President, may allow future applications when it appears to them that the matter that gave rise to the Complaint has been reasonably resolved. Non-Members and/or non-Subscribers who have previously refused to participate in the Ethics process may be prohibited from bringing a Complaint; provided, however, that the Ethics Committee, may agree to hear such a Complaint should it decide that to hear the Complaint is in the best interests of the Association.
- (h) If a response is received, a copy will be sent to the Complainant, and the matter will be set for hearing.
- (i) If Respondent has a counterclaim against Complainant that arises out of substantially the same set of facts as set forth in the 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 Ethics Chair will schedule a Hearing before a Hearing Panel with the participation of Complainant and Respondent.
- (b) Copies of the Complaint, the response of the Respondent and all supporting documents will be forwarded to the members of such Hearing Panel.
- (c) Both parties will be given an opportunity to participate, with or without counsel, on a teleconference with the assigned Hearing Panel. If a

Complainant chooses not to participate in the teleconference, the complaint will be heard on the basis of the written complaint, together with evidence submitted by the Respondent. Failure of Respondent to participate in the hearing process may, unless excused in advance by the Ethics Chair, result in a finding against Respondent.

- (d) The Hearing will last approximately 30 minutes, during which each party will be allotted equal time, between five (5) to ten (10) minutes to state the facts and review any of the evidence previously provided by either party. Members of the Hearing Panel may conduct a question/answer session after the presentation of evidence. Following the Hearing, the matter will be considered by the Hearing Panel and a written decision will be rendered to the parties.

C. Board Referral. The Executive Committee may refer a matter to the Ethics Chair.

1. Should the Executive Committee become aware of a final determination in a legal or administrative proceeding (notwithstanding possible avenues of appeal) involving a company in the technology industry that in the reasonable opinion of the Executive Committee may be of interest to or concern to the Members of the Association, it shall direct counsel to the Association to notify the subject company and request its cooperation in determining the facts and circumstances underlying such public proceeding.
2. Counsel shall prepare a report to the Executive Committee of the relevant facts and circumstances that are available concerning such public proceeding. Such report shall include any statement or documents the subject company may provide.
3. Based on such report, the Executive Committee may, in its discretion, submit an informational report to the Membership and/or the Board of Directors; or request that the Ethics Chair commence an Ethics Proceeding by giving notice to the subject company as provided in Section II B above and giving the subject company an opportunity to respond.
4. Thereafter, the Ethics Chair may schedule a Hearing to consider whether there has been a violation of the Code by such company and, if so, to specify appropriate Sanction as set forth in Section III (A). The subject company shall be given the opportunity to respond at such Hearing.

### **III. Decision and Sanction Levels**

- A. It is the responsibility of the Hearing Panel to determine whether the information presented does or does not constitute a violation of the Code. If it is found that a violation of the Code has occurred, the Hearing Panel will impose one of the following Sanctions:
1. **Level 1:** A finding of violation with notice given only to Complainant and 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 Respondent, the name of Complainant, the Sanction and a brief description of the violation.

For all Level 1 and Level 2 Sanctions against Members or eTN Subscribers, the Hearing Panel shall determine whether the violation was at least partially the result of Respondent's failure to remit money owed to Complainant. If so, then the Level 1 or Level 2 Sanction shall be conditioned upon Respondent paying the amount reasonably owed to Complainant within 30 days of the date of the notice of Sanction. If payment is not made within the 30 days from the date of the Sanction letter, the Sanction shall automatically convert to a Level 4 Sanction, with a right to appeal as provided in Section III B.

3. **Level 3:** A finding of violation with a decision of the Hearing Panel to suspend the Member's privileges from the Association and/or the Subscriber's access to the eTN for a specified length of time not to exceed 12 months. The decision shall become final, without further action on the part of the Ethics Committee, upon service of the decision of the Hearing Panel upon the Respondent and passage of the appeal period without notice of appeal as provided below.
4. **Level 4:** A finding of violation with a decision of the Hearing Panel for expulsion from the Association and/or removal from the eTN; and indefinitely prohibiting the Member and/or Subscriber from re-applying for Membership in the AscdiNatd and from re-applying for subscription rights to the eTN. The decision shall become final, without further action on the part of the Ethics Committee, upon service of the decision of the Hearing Panel upon the Respondent and passage of the appeal period without notice of appeal, as provided below.

#### B. **Appeal.**

1. The decision of the Hearing Panel to impose a Level 1 Sanction is not appealable.
2. A decision of the Hearing Panel to impose a Level 2, Level 3 or Level 4 Sanction may be appealed to the Ethics Committee by written notice to the Ethics Chair with a copy to the AscdiNatd Administrative Office within 15 days of notice of the decision of the Hearing Panel. If no notice of appeal is received by the Ethics Chair within such period, the decision shall become final and binding, and the matter will be considered concluded.
3. Upon appeal, the Ethics Committee, at its option, may consider solely the report of the Hearing Panel or may seek additional information from the parties. A two-thirds vote of those members of the Ethics Committee who hear the appeal shall be required in order to sustain the findings of the Hearing Panel. The decision of the Ethics Committee on appeal shall be final and shall become effective on the date the Ethics Committee renders its decision.
4. If the Ethics Committee does not sustain the imposition of a Level 2, Level 3 or Level 4 Sanction by the Hearing Panel, the case may be returned to the Hearing Panel for further review consistent with the determination of the Ethics Committee.

#### **IV. Principals and Entities**

- A. 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 entity in which the Principal is or becomes affiliated, whether as equity owner, officer or employee, and may prevent such entity from becoming an AscdiNatd Member or an eTN Subscriber until the matter giving rise to the Sanction is resolved in the judgment of the AscdiNatd Chair and the Ethics Chair, in consultation with the AscdiNatd President.
- B. Sanctions under Section III will apply to the entity against whom a Sanction has been rendered unless and until such entity can demonstrate that, in the judgment of the AscdiNatd Chair and the Ethics Chair, in consultation with the AscdiNatd President, that the individual or individuals, whether equity owner, officer or employee, are no longer affiliated with or benefiting directly or indirectly from the operation of such entity.

#### **V. Withdrawal**

In the event a Complainant seeks to withdraw its complaint, the Ethics Committee reserves the right to take further action on the complaint. Except as provided herein, 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 additional Complaints for non-payment against a party are received by the Ethics 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 Chair shall advise the AscdiNatd Chair, the AscdiNatd President, and AscdiNatd legal counsel of the additional complaint(s); and
2. The Ethics Chair and the AscdiNatd Chair, , in consultation with the AscdiNatd President and the AscdiNatd legal counsel, shall determine if any AscdiNatd 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 AscdiNatd Membership should be notified by the AscdiNatd President of the complaints, including a disclaimer that the AscdiNatd 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 AscdiNatd 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 consecutive 12-month period, the Ethics Committee may upon its own initiative, expel the Member or Subscriber.

## **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. The parties involved, Sanction level, a summary of the complaint and finding 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 and non-Subscriber Respondents will be prohibited from attending meetings and functions sponsored by the AscdiNatd; provided, however, non-Members who have agreed to participate in the AscdiNatd Ethics Process shall be allowed to attend a meeting or other function sponsored by the AscdiNatd. The process for attendance verification will be determined by the Ethics Chair. The AscdiNatd Chair and the Ethics Chair, in consultation with the AscdiNatd President, 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 AscdiNatd meetings and functions, and non-Members and non-Subscribers are prohibited from applying to become an AscdiNatd Member or an eTN Subscriber; provided, however, that the AscdiNatd Chair and the Ethics Chair, in consultation with the AscdiNatd President, 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 AscdiNatd, and posted in the Members only section of the AscdiNatd Website.

## AscdiNatd Ethics Complaint Form

Important: This form or an on-line version must be completed in its entirety. Please forward the Complaint to the AscdiNatd 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 AscdiNatd 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:
AscdiNatd Member? <input type="radio"/> YES <input type="radio"/> NO	AscdiNatd Member? <input type="radio"/> YES <input type="radio"/> NO
eTN Network Subscriber? <input type="radio"/> YES <input type="radio"/> NO	eTN Network Subscriber? <input type="radio"/> YES <input type="radio"/> NO

*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. Attach copies of all relevant documents, including but not limited to contracts, PO's, schedules, e-mails, texts, etc.

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

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

## AscdiNatd Ethics Response Form

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

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

Please forward to the AscdiNatd 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. Attach copies of all relevant documents, including but not limited to contracts, PO's, schedules, e-mails, texts, etc.

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

**FOR AscdiNatd USE ONLY:**

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