ing, and shall specify in such notification the nature and substance of the consumer complaint to be heard at the hearing. The Administrator shall make reasonable attempts to arrange a mutually convenient place and time for the hearing to occur. Such notification shall precede by at least 20 days any proposed date for an evidentiary hearing concerning the allegations of the Code of Ethics misconduct. Hearings may be rescheduled for good cause shown.

The accused member shall have the right to submit any data deemed relevant to the proceeding, to appear in person or through counsel, and rebut the charges against it. Both parties shall have the right to call witnesses, and the accused party shall have the right to call and confront the complaining party, providing the calling party shall bear any costs involved in calling the complaining party or any witness. Both parties shall also have the right to cross-examine any witnesses who are called. The Administrator shall determine, based on evidence presented by the company and evidence submitted by the complainant, whether a Code violation has occurred. The Decision by the Administrator shall be issued no later than ten days from the date of the hearing and shall be forthwith sent to the accused member, the President and Chairman of the Board of DSA, and the complainant. The decision will include the remedial measures, if any, that the Administrator has invoked pursuant to Part E. The member shall then have ten days from date of receipt to comment to the Administrator, in writing, on the findings contained in the decision, or to request a special arbitration procedure as described in Part F.

E. POWERS OF THE ADMINISTRATOR

If, pursuant to the hearing provided for in Part D 4, the Administrator determines that the accused member has committed a Code of Ethics violation or violations, the Administrator is hereby empowered to impose the following remedies, either individually or concurrently, upon the accused member:

(1) request complete restitution to the consumer of monies paid for the accused member's products which were the subject of the Code complaint;

(2) request the replacement or repair of any accused member's product, the sale of which was the source of the Code complaint;

(3) request the payment of a voluntary contribution to a special assessment fund which shall be used for purposes of publicizing and disseminating the Code and related information. The contribution may range up to $500 per violation of the Code.

(4) request the accused member to submit to the Administrator a written commitment to abide by the DSA Code of Ethics in future transactions and to exercise due diligence to assure there will be no recurrence of the practice leading to the subject Code complaint. If the Administrator determines that there has been compliance with all imposed remedies

in a particular case, he shall terminate the matter.

In the event that a member refuses to voluntarily comply with any remedy imposed by the Administrator within 30 days, the Administrator may then consult with independent legal counsel to determine whether the facts that have been ascertained amount to a violation of state or federal law. If the Administrator believes that a violation of state or Federal law has occurred, he shall so notify the accused member by certified or registered mail, return receipt requested, and after ten days following such notice the Administrator shall submit the relevant data concerning the complaint to the appropriate federal or local agency.

Additionally, when the Administrator, after consulting with independent legal counsel, determines that a violation of state or federal law or the Code has occurred and the member continues to refuse to comply, he may recommend to the Board that the member be suspended or terminated from Association membership. The Administrator shall serve upon the member, by registered mail, a notice affording the member the opportunity to appear before the Board of Directors or a designated part thereof to show cause why its membership in the Association should not be suspended or terminated. A suspended member, after at least 90 days, and a terminated member, after at least one year, may request the opportunity to appear before the Board or Directors or a designated part thereof, to show why its membership should be reinstated.

F. APPEAL TO OUTSIDE ARBITRATOR

Following a final decision by the Administrator that a Code violation has occurred, the accused member may appeal the decision by the Administrator to an independent arbitrator. The request by the accused member must be in a written statement to the Administrator no later than ten days after receipt of the Administrator's final decision. Upon receipt of such request, the Administrator shall set a date for an arbitration hearing within a reasonable period of time not to exceed 60 days from the date of the request. If such an appeal is filed, any sanctions imposed under Section E shall be stayed until the conclusion of arbitration. The choice of said arbitrator shall be made by the accused company from a list provided by an existing arbitration organization such as the American Association of Arbitrators. All attendant costs of such an arbitration, including witness fees and travel expenses, but not including any expenses related to the time and travel of the Administrator and DSA staff, shall be borne by the requesting member.

The arbitrator shall receive, at least five days prior to the hearing date, submissions from the Administrator and the accused member outlining their respective positions concerning the allegations of Code violations. The accused member shall be given 15 days' notice of the date of the hearing. At the hearing, the accused member shall have an opportunity to be represented by counsel, to refute the charges against it, and to hear the evidence and confront and cross-examine witnesses against it. The member will further have the opportunity to present witnesses for its position, which witnesses shall also be subject to confrontation and cross-examination by the

Administrator. All witnesses and the Administrator shall be subject to questioning by the arbitrator. The Administrator also may be represented by counsel.

A transcript may be made of the hearing at the request and expense of the accused member, or at the expense of the Association if the Administrator determines that a transcript is necessary to protect the integrity of the Association and/or the rights of the complaining witnesses. If a transcript is so requested, or if the Administrator determines that a record of the hearing is necessary, a tape recording of the hearing may be made in lieu of a transcript if all parties agree.

The decision of the arbitrator is final and is binding upon both the Administrator and the member. The arbitrator may, upon completion of the hearing, affirm, modify, or reverse the original finding of the Administrator. The arbitrator shall, within ten days of the hearing, issue his decision in writing to the Administrator, the accused company, and the President and Chairman of the Board of DSA.

G. RESTRICTIONS

(1) At no time during the investigation or the hearing of charges against a member shall the Administrator or outside arbitrator confer with anyone at any time concerning any alleged violation of the Code, except as provided herein and as may be necessary to conduct the investigation and hold a hearing. Any information ascertained during an investigation or hearing shall be treated as confidential, except in cases where the accused member has been determined to have violated federal, state or local statutes. At no time during the investigation or the hearing of charges shall the Administrator or outside arbitrator confer with a competitor of the member alleged to be in violation of the Code, except when it may be necessary to call a competitor as a witness to the facts, in which case the competitor shall be used only for the purpose of testifying as to the facts. At no time shall a competitor participate in the Administrator's or in the outside arbitrator's disposition of a complaint.

(2) Upon request by the Administrator to any member, all documents directly relating to an alleged violation shall be delivered to the Administrator, Any such information obtained by the Administrator shall be held in confidence in accord with the terms of these regulations and the Code. Whenever the Administrator, either by his own determination or pursuant to a decision by an outside arbitrator, terminates an action which was begun under the Code, a record of the member accused shall be wiped clean and all documents, memoranda or other written material shall either be destroyed or returned, as may be deemed appropriate by the Administrator, except to the extent necessary for submitting relevant data concerning a complaint to a local, state, or federal agency. At no time during proceedings under this Code regulation or under the Code shall the Administrator or outside arbitrator either unilaterally or through the DSA issue a press release concerning allegations or findings of a violation of the Code unless specifically authorized to do so by the Board of Directors.

H. RESIGNATION

Resignation from the Association by an accused company prior to completion of any proceedings constituted under this Code shall not be grounds for termination of said proceedings, and a determination as to the Code violation shall be rendered by the Administrator and/or arbitrator, irrespective of the accused company's continued membership in the Association or participation in the complaint resolution proceedings.

I. AMENDMENTS

This Code may be amended by vote of two-thirds of the Board of Directors.

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J. Robert Brouse, formerly of DSA
William D. Dixon, formerly of FTC Division of Advisory Opinions
Tony Duke, formerly of Omnitrition
Gerald Gilbert, Hogan & Hartson
George Hescock, DSA
Lawrence Lad, Butler University
Erick Laine, CUTCO-Vector
W. Alan Luce, Dorling Kindersley
Joseph Mariano, DSA
Brent Mickum, FTC Staff
Neil Offen, DSA
Eileen O'Neill, DSA
James Preston, Avon
William Rogal, Code Administrator, DSA
Herb Rotfeld, Auburn University

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