

**NATIONAL ASSOCIATION OF TICKET BROKERS**  
**ETHICAL COMPLAINT PROCEDURES**

**Preamble: Policy Statement**

The National Association of Ticket Brokers (“NATB”) has adopted a Code of Ethics (attached hereto as Appendix A) that sets forth the ethical standards and objectives of the NATB and its members. To implement these standards and objectives, the NATB has established the following Ethical Complaint Procedures. These Procedures apply to consumer complaints. Broker-to-broker complaints will be handled by the NATB Board of Directors in a manner the Board deems appropriate. Every officer, director, employee and member must read and retain a copy of, and agrees to comply with, these Ethical Complaint Procedures and the Code of Ethics.

**Section 1. Committee for Standards and Ethics**

The Board of Directors of the NATB shall appoint a Committee for Standards and Ethics (“CSE”). There shall be six (6) CSE members, one (1) from each of the six (6) Regions of the NATB as set forth in the Bylaws. The Directors from each Region shall present a list of nominees for the appointment of the CSE member from its Region. The CSE member will be appointed by a plurality vote of all Directors. The Board of Directors shall appoint a Chairperson of the CSE who is a non-voting member of the CSE; provided, however, that if there is a tie vote, the Chairperson shall decide the outcome. During their term, members of the CSE shall not participate in any proceeding which may be brought against them or in any way concerns them or the entity which they represent before the NATB. Nor shall any member of the CSE vote in any proceeding which involves a member that is geographically located in that CSE member’s Region. Thus, there will be five (5) voting CSE members. The CSE, in accordance with the procedures provided herein, shall evaluate and make determinations regarding charges against members, affording such members an opportunity to be fully heard as provided herein. The CSE shall at all times have the full cooperation of all the members of the NATB.

**Section 2. Member Responsibility**

Members of the NATB agree to be bound by the NATB’s Code of Ethics, Charter, Bylaws, disciplinary rules, refund policies, procedures and resolutions, and recognize that the success of the NATB will require diligence in creating an awareness of its members of the obligations thereunder. No member shall in any way attempt to persuade, induce or coerce another member to breach the NATB’s Code of Ethics, Charter, Bylaws, disciplinary rules, refund policies, procedures and resolutions, and the members hereto agree that inducing a breach is to be considered a violation of the same. Members of NATB will be responsible for any violation by their agents, representatives and employees if the CSE finds, after considering all the facts and circumstances, that the responsible member has authorized, condoned, or supported such violation, or in any other way failed to prevent a violation from occurring where the responsible member had actual knowledge of the violation. Further, a member shall be considered responsible for a violation by its agents, representatives and employees, although it had no actual knowledge of such violation, if the CSE finds that the member should have known of such violation but failed to acquire actual knowledge because it was grossly negligent in

failing to establish procedures whereby the member would be kept informed of the activities of its agents, representatives and employees.

### **Section 3. Receipt of Complaint**

Upon receipt of a complaint from a consumer that a member of NATB has committed an act, or failed to perform an act, that may constitute a violation of NATB's Code of Ethics, Charter, Bylaws, disciplinary rules, refund policies, procedures and regulations, a designated representative or NATB shall request that the complaining party (the "Complainant") reduce the complaint to writing. NATB will provide the Complainant with a complaint form and a copy of NATB's Code of Ethics and Ethical Complaint Procedures. The written complaint must include all data, allegations, information or documentation supporting the complaint. The CSE will request that the Complainant sign a written waiver of confidentiality and shall advise the Complainant that any information pertaining to the complaint may be provided to concerned parties including, but not limited to, members of the CSE, the Board of Appeals, potential witnesses, the accused member, and, if necessary, members of the Board of Directors. The Complainant will be advised that refusal to waive confidentiality may impede the investigation conducted by the CSE hereunder.

If no written complaint is received by the Chairperson of the CSE from the Complainant, no further action will be taken by the CSE. When a written complaint is received, the Chairperson of the CSE shall forward a copy of the complaint along with all supporting documentation and information relating thereto, to the accused member within a reasonable time following the Chairperson's receipt of the written complaint. Within twenty one (21) days of receipt of a complaint, unless the period is extended by the CSE, the accused member may respond and set forth the accused member's position with respect to the allegations in the complaint, which shall include all data, information and documentation supporting its position, or a description of corrective measures taken or intended to be taken. Failure by an accused member to provide a timely response shall result in a default judgment with no right to appeal. The accused member and the Complainant shall have the right to be represented by their own legal counsel.

### **Section 4. CSE Determination**

Once the CSE has received the documentation from both parties, the CSE may investigate anything contained in the documentation that they deem questionable. The CSE may, in its sole discretion, hold a hearing under the terms and conditions it deems appropriate. Within a reasonable time, the CSE will make a determination on the matter. A majority vote of the CSE shall decide the outcome. In the event of a tie vote, the Chairperson shall decide the outcome. If the CSE determines that a violation has occurred, the CSE will then have discussion and vote on a recommended sanction. The determination will then be mailed certified return receipt to all parties. Whatever the outcome of the determination, either party shall have the right of appeal under Section 5.

## **Section 5. A Board of Appeals**

Either party shall have the right within thirty (30) days of receiving a CSE decision to request a further review be conducted by a Board of Appeals. A request for an appeal must be in writing to the President of the NATB or his designee. If either party fails to timely note an appeal, the decision of the CSE pursuant to Section 4 hereof shall be final.

The Board of Appeals will consist of three (3) non-members of the NATB appointed by the President for a one (1) or two (2) year term. If a Board member resigns or is removed by the President, then the President shall appoint a replacement to complete the one year term. Board members can serve more than one (1) term. The members of the Board may be paid a fee for their participation. The proceeding before the Board of Appeals shall be based on written submissions by the interested parties per the schedule set forth below.

To initiate an appeal, the appealing party shall file a notice of appeal along with all data, information or documentation it believes is relevant to the appeal. The appealing party shall deliver a copy of its filing to the other party via certified mail, return receipt requested, or overnight delivery. The non-appealing party shall have thirty (30) days from the date of the appealing party's filing to submit a reply brief and any supporting data, information, or documentation addressing any point raised in the appeal. The non-appealing party shall deliver a copy of its reply submission on the appealing party via certified mail, return receipt requested, or overnight delivery.

The Board of Appeals shall consider the appeal at its next meeting falling after the reply submission is filed. All matters heard on appeal will be by way of the presentation of submission, or, if the Board of Appeals deems it necessary, oral presentations by the parties. The Board of Appeals shall render a final determination within a reasonable time following the meeting at which the appeal is addressed. A majority vote of the Board of Appeals is necessary to overturn a determination of the CSE. The decision of the Board of Appeals will be final.

The President of the NATB or his designee shall notify the Complainant and the accused member of the Board of Appeal's determination and any recommendations within a reasonable time.

## **Section 6. Sanctions**

Upon a final determination that a violation has occurred and after proper notice has been provided to the violating member, the Board of Directors by a plurality vote shall establish sanctions to be imposed on the violating member after receiving recommendations from the CSE. The Board of Directors, in its sole discretion, may take any or all of the following actions:

- (a) Membership may be conditioned upon affirmative acts such as the payment of restitution;
- (b) A letter of reprimand may be sent to the violating member;

- (c) A notification and demand to cease the unethical behavior may be issued by the NATB to the violating member with appropriate conditions if the practice is not stopped;
- (d) Membership may be suspended for a specified period of time;
- (e) Membership may be terminated; or
- (f) Any other action the Board of Directors deems just and proper.

The Board of Directors may authorize the CSE to establish the sanctions to be imposed without the Board of Directors' involvement. In such instances, the CSE may impose any or all of the sanctions available to the Board of Directors. Within ten (10) business days of a final determination under Sections 4 or 5 that a violation has occurred, the Board of Directors, or its designee, will notify the violating member, the Complainant, the CSE and the Board of Appeals of its decision regarding sanctions.

### **Section 7. Miscellaneous**

A final determination and any sanctions taken against a violating member may be publicized to the membership.

If the Complainant is pursuing a similar complaint with another association, or a judicial or administrative tribunal, the Complainant may be required to choose one complaint procedure to pursue. Further, if a decision has been rendered by another association, or a judicial or administrative tribunal, prior to the institution of a complaint proceeding hereunder, no action shall be taken under these procedures.

At no time during these proceedings shall the CSE, Board of Appeals, Board of Directors or any of its members confer with anyone concerning any alleged violation by the accused member, except as provided herein and as may be necessary to conduct an investigation or appeal. All information ascertained during an investigation or appeal shall be treated as confidential.

Any information obtained by the CSE and Board of Appeals, Board of Directors or its members shall be held in confidence in accordance with the terms of these procedures.

All notices and requests made in accordance with these procedures shall be provided by certified mail, return receipt requested, or overnight delivery and shall be sent to the last recorded address of the accused member and the address provided by the Complainant, unless otherwise designated by those parties.

The use of either the masculine or feminine gender shall be construed to include the other.