

Handbook

NARI of Charlotte

Ethics Committee

Policy

Rev. Date: May 8, 2007

Primary Contact Person: Chairman, Ethics Committee, Charlotte-NARI Chapter

Secondary Contact Person: Executive Director, Charlotte-NARI Chapter

1. Purpose of This Handbook

The purpose of this Handbook is to centralize in one place the relevant rules, laws, policies, explanations, goals, and procedural methods of the Ethics Committee. While an interested person may have to research the source document (i.e., a relevant State statute, or a Bylaw paragraph, etc.) if deep detail is needed, this Handbook is intended to be the *first resource* to which an Ethics Committee member or other interested party makes reference.

2. Sources of Rules and Policies

There are various sources of rules, laws, and policies which may govern the work of the Ethics Committee in any particular circumstance, such as:

- NARI National Bylaws
- Guidelines, policies, etc., issued by NARI-National
- NARI Local Bylaws
- Amendments to the local NARI bylaws
- NARI Local Ethics Committee Policies
- NARI Local “Policy Manual”
- Past practice and precedents of the Ethics Committee
- Special agreement between the parties involved
- North Carolina statutes and court cases.
- This Handbook

The Ethics Committee will strive to make itself aware of any rules, etc., which may affect any particular circumstance coming to its attention. Each of these sources of rules, laws, and policies are discussed below.

3. NARI National Bylaws, Etc.

a. The point of contact with NARI National is Mary Busey Harris, 1-800-611-6274 ext 8102. The NARI National website is www.nari.org.

b. The NARI-National Bylaws are on their website, under “Members Only” under “General References.” Members need to have their e-mail address of record with NARI, and their password, to access the Members Only area.

c. Standards of Practice. See the comments at the end of Article IX of the NARI-National Bylaws. Article IX states that the NARI-National board of directors shall adopt an official interpretation of the NARI-National Code of Ethics entitled “Standards of Practice for the Remodeling Industry.” NARI-National posted the standards of practice on the NARI- National website.

d. Code of Ethics. Article IX of the NARI-National Bylaws is the Code of Ethics. This Code of Ethics differs as of March 2007 from the Charlotte Chapter's Code of Ethics contained in Article X of the Local Bylaws.

e. Discussions With NARI National. Upon Thomas Faulk's questions to Ms. Harris on April 27, 2006, Ms. Harris had the following comments. Ms. Harris of NARI National recommends that the local chapter not conduct hearings on breach of contract claims, but limit its jurisdiction to ethics issues. The local NARI chapter should not be deciding money claims between NARI members and customers like a judge, jury, or arbitrator. The local NARI chapter should refer the parties to some other tribunal to resolve their breach of contract issues, such as the Better Business Bureau arbitrations. The local NARI chapter's punitive actions would center around the NARI's member's continued membership in the local NARI chapter, not on a monetary fine that the NARI member would pay the customer. Ms. Harris says that there are some huge current lawsuits, not involving NARI members, where exactly this scenario (an Association conducting tribunals like a judge, jury, or arbitrator) has resulted in possible exposure to liability.

f. Conclusion, NARI-National Rules. The Charlotte NARI chapter will be enforcing and considering ethics rules and violations regarding the Charlotte-NARI Ethics Policy, and will leave enforcement of the NARI-National Ethics Policy, Codes, and Rules to NARI-National. The Charlotte NARI chapter may take into consideration NARI-National's interpretations, guidance, and advice regarding ethics issues.

4. Guidelines, Policies, Etc., Issued by NARI-National

a. NARI National has a "Model Grievance Procedure." NARI-National does not require the local chapters to use this MGP. NARI-National encourages adoption of the MGP. The MGP is an operating guideline for Ethics Committee activity.

b. It is not known as of April 2006 whether the Charlotte NARI Chapter has seen or adopted this proposed policy. The Charlotte-NARI bylaws, Article III, Section 2(F), discussed under "NARI Local Chapter Bylaws" below, refers to the Charlotte NARI chapter following the MGP. Since it is not known whether the Charlotte-NARI NARI chapter expressly adopted the MGP, this reference in Section 2(F) of the local bylaws appears to be a "back door" adoption of the MGP, possibly inadvertent.

c. The Charlotte NARI chapter should make an express decision to adopt all, part, or none of the MGP. Also, even if the Charlotte-NARI chapter did intend to adopt the MGP by the Section 2(F), that MGP which the Charlotte chapter adopted was the old MGP. NARI-National has since substantially revised the MGP. The Charlotte chapter should decide which version of the MGP it intends to follow, if in fact it desires to follow the MGP at all.

d. The NARI-National MGP as currently proposed is dated May 2006. The MGP is only two pages in length and is very simplistic. The MGP is not clear at all as to the scope of oversight by the Ethics Committee.

e. Conclusion, the NARI-National Model Grievance Procedure.

1. It is the policy of Ethics Committee that any purported adoption of the MGP by Section 2(F) as described above became invalid when that old version of the MGP was replaced by NARI National, and the old version of the MGP has thus since become unattainable.

2. The Ethics Committee does not interpret the local Bylaws, Section 2(F), to mean that the Charlotte chapter should always use the MGP suggested by NARI National, as it is changed from time to time by NARI National.

3. The Ethics Committee and Charlotte NARI Chapter intend to enact this Ethics Committee Policy to serve as the grievance procedure for the local chapter.

4. If NARI-Charlotte desires in the future to adhere to the NARI-National MGP in some way, then this Policy will be amended in an express manner accordingly.

5. NARI Local Chapter Bylaws

a. The Bylaws for the local NARI chapter were last revised in September 2001.

b. Article VII of the Bylaws is entitled “Committees.”

The Ethics Committee is designated as a “standing committee” under Bylaws Art. VII, Section 2(C).

c. Committee Mandate. According to Local Bylaws, Art. VII, Section 2(C), the Ethics Committee is “charged with the responsibility of investigating any claims of unethical behavior by one of the members of the Association and making a recommendation to the Board of Directors for termination or suspension of membership for any alleged acts of unethical behavior.”

d. Code of Ethics. Article X of the local Bylaws is the “Code of Professional Ethics.” The Code of Ethics has historically been printed on the back cover of the NARI member booklet issued periodically by the Charlotte-NARI chapter. The Code cites several ethical standards for NARI members.

e. The Grievance Procedure.

1. There is a grievance procedure referenced in the local Bylaws, Article III, Section 2(F), which itself refers to the NARI-National grievance procedure (the Model Grievance Procedure”) for detail. This paragraph states that “any member may be placed on probation, disqualified or have his/her membership revoked for violation of the Bylaws by a two-thirds vote of the Board of Directors after compliance with the procedures of the Grievance Procedures (“Member vs. Member” or “Customer vs. Member”) as outlined by the National Association of the Remodeling Industry Bylaws.” See the section on guidelines, policies, etc., issued by NARI-National discussed above.

2. NARI-Charlotte will not be following the MGP, as discussed above.

6. Amendments to the Local NARI Bylaws

There are no known amendments to the September 2001 version of the local Bylaws, as of April 18, 2006.

7. NARI Local Ethics Committee Policies

This category refers to policies issued by the local Ethics Committee, or by the local Board of Directors or President for the local Ethics Committee, other than the “Policy Manual” discussed below, and other than this Handbook.

As of the date of this Handbook, there are no known such policies in effect.

8. NARI Local Chapter “Policy Manual”

- a. The document included in the exhibits entitled “NARI of _____, Policy Manual, revised January 2001” was provided to the NARI attorney in early 2005 from the NARI Executive Director as guidelines *possibly* adopted by the Charlotte-NARI chapter regarding the Ethics Committee. This Policy Manual states that it was revised January 2001.
- b. Communications with the Charlotte-NARI Ethics Committee in June 2006 indicate that this Policy Manual was never actually adopted, and was only in distribution as a working potential proposal under discussion.
- c. Therefore, the text of this Policy Manual, particularly Section 6.00, Page 3, Paragraphs 2, 4, 5, and 6, and Section 6.01, Page 5, are of no effect to the Ethics Committee.

9. Past Practice and Precedents of the Local Ethics Committee

- a. This category refers to past practices or actions, an established course of conduct, precedents, etc. The general idea is that if the Charlotte-NARI Ethics Committee has routinely acted in a certain way, or defined some requirement in some way, or treated a certain violation in a certain way, that the committee should be consistent in future similar cases. The committee should not act arbitrarily.
- b. The committee generally should keep records of actions taken for reference in future similar cases. This is as simple as keeping a paper folder of all cases held by the Ethics Committee.
- c. If any particular course of conduct becomes so ingrained or routine, the committee may consider memorializing the conduct as a new policy printed in a set of revised committee rules.

10. Special Agreement Between the Parties Involved

- a. The local NARI chapter may, at its discretion, make agreements with all involved parties to handle a particular case in a particular way. This should be done in writing signed by all parties.
- b. The Ethics Committee should not deviate from approved Ethics Committee policies without authorized approval from the Charlotte-NARI President. This should be a rare event.

11. State Statutes and Court Cases

- a. State statutes are actual laws enacted by the North Carolina legislature, which laws are printed in books of official state statutes. Court cases are actual court cases which have been held on relevant state statutes, in which the court issued a written ruling, which written ruling is printed in books of caselaw. Caselaw on a particular statute is often very useful in interpreting the meaning of that statute. The courts may also find a certain statute to be unconstitutional for some reason, and thus invalid. Attorneys very often consult caselaw to interpret a statute.
- b. The Charlotte-NARI chapter will infrequently or never need to refer to statutes or cases.

North Carolina Nonprofit Corporation Act

Chapter 55A of the North Carolina general statutes is the North Carolina Nonprofit Corporation Act. This Act contains numerous laws governing the operations of nonprofit corporations such as the Charlotte-NARI chapter. Selected provisions follow:

NCGS 55A-3-02 (a) (15) gives the power to a corporation “to establish conditions for admission of members, admit members and issue memberships.”

NCGS 55A-6-31 (a) states that “no member of a corporation may be expelled or suspended, and no membership may be terminated or suspended except in a manner that is fair and reasonable and is carried out in good faith.”

NCGS 55A-6-31 (b) states that “any proceeding challenging an expulsion, suspension, or termination shall be commenced within one year after the member receives notice of the expulsion, suspension, or termination.”

NCGS 55A-6-31 (c) states that “a member who has been expelled or suspended may be liable to the corporation for dues...incurred or commitments made by the member prior to expulsion or suspension.”

12. Mission Statement

1. It is reported as of June 2006 that the Ethics Committee adopted a mission statement at some point in time. Evidence of the adoption and a copy of an Ethics Committee mission statement are unavailable as of June 2006.
2. The Charlotte-NARI Ethics Committee will not be conducting an arbitration, mediation, or tribunal of any dispute between the NARI member and the petitioning consumer. Charlotte-NARI will not attempt to resolve the dispute between the NARI member and the consumer. Charlotte-NARI will not be awarding money damages to consumers. Charlotte-NARI will not be ordering a NARI member to perform any remedial work for the consumer, or issue any sort of refund to the consumer. Charlotte-NARI may suggest that the NARI member and the consumer resolve their dispute in other forums, such as the courts, arbitration, mediation, the Better Business Bureau, etc.
3. The focus of the Charlotte-NARI Ethics Committee will be to investigate the NARI member in connection with the specific situation raised by the petitioner and any other facts deemed relevant by the Ethics Committee, to determine whether the ethical behavior of the NARI member warrants continued membership in the local NARI chapter, or whether conditions should be imposed upon continued membership, or whether membership will simply not be renewed upon expiration. The focus will be on continued membership in NARI-Charlotte.

13. Relationship to Other Tribunals

The Charlotte-NARI Chapter may conduct Ethics Committee hearings regarding its members, whether or not the subject matter of the dispute or event is being heard, or has already been heard, in another tribunal, such as civil court, criminal court, arbitration, mediation, a Better Business Bureau proceeding, etc. The Charlotte-NARI Chapter may proceed independently of any of those tribunals. The Charlotte-NARI Chapter may take into account the results or conclusions of any of those other tribunals. If a Charlotte-NARI member was found not liable or not guilty in one of those other proceedings, such outcome has no automatic or necessary effect on Charlotte-NARI's previous or future findings regarding that same member over the same or similar issues.

14. Local NARI Chapter Ethics Committee Rules

The following are rules which the Charlotte-NARI chapter Ethics Committee will follow in considering cases and other matters coming before the committee.

- a. Definitions. The following definitions apply to all text in this Policy.

Petitioner. The petitioner is the person filing a complaint with the Ethics Committee concerning the alleged unethical behavior of a NARI member. The petitioner can be a consumer, another NARI member, or anyone else entitled to bring a complaint.

Respondent. The respondent is the NARI member about whom the petitioner's complaint is about.

b. Who May Bring a Case. The local NARI President, Vice-President, Chairman of the Board, Ethics Committee Chairperson, any consumer, or any NARI member may file or bring a case before the Ethics Committee.

c. Overview of the Complaint and Hearing Procedure. A general overview of the Ethics Committee procedures is as follows:

1. NARI becomes aware that a person has an ethics complaint against a NARI member.
2. NARI sends the petitioner a standard NARI petition form to complete.
3. NARI receives the completed petition from the petitioner.
4. NARI mails out a standard-form receipt letter to the petitioner.
5. The NARI office sends the petition to the chairman of the Ethics Committee for an initial decision (i.e., close the file without further action, obtain additional information, send the file to the respondent, etc.).
6. If file is being closed, then the NARI office closes the file, noting in the file that instructions were given to close the file, and closes the file.
7. If additional information is requested, then the NARI office obtains said information, and thereafter follows the instruction of the chairman of the Ethics Committee.
8. If the file is to be sent to the respondent as the next step, then the NARI office will send the petition with a standard cover letter to the respondent for a response from the respondent. This is the respondent's first opportunity to be heard.
9. When the response is received from the respondent, or after the time given to the respondent to respond has expired, the NARI office will attach a standard cover sheet to the packet, and will submit the packet to the Ethics Committee at the committee's next meeting.
10. The Ethics Committee may decide to close the file without further action.
11. The Ethics Committee may request additional information before processing the file.
12. The Ethics Committee may decide that a sanction of adverse action against the respondent is warranted. If so, NARI will schedule a meeting between the respondent and the

Ethics Committee to discuss the situation further. This is a second opportunity for the respondent to be heard.

13. After giving opportunity to the respondent to discuss the situation with the Ethics Committee, the Ethics Committee, if it feels that adverse action against the respondent is still warranted, will report the matter to the Board of Directors of the Charlotte-NARI Chapter for action. The intent is that the Ethics Committee will not itself take adverse action against the respondent, but will refer the matter to the Board of Directors for action by the Board as the Board deems appropriate. The Ethics Committee will submit its file on the matter, along with a 1-page summary of the file (including recommendations) to the Board.

14. The action taken by the Board will be documented in a standard letter, which will be sent to the respondent, with a copy placed in the file. The petitioner *does not* get a copy.

d. How to Bring a Case: The Initial Petition.

Cases should be filed or brought in a writing delivered to the Charlotte-NARI office, President, Vice-President, or Ethics Committee Chairperson.

Complaints must be submitted on a form supplied by the Charlotte-NARI chapter. The petitioner may prepare their initial filing in a written letter format and simply attach this letter to an official form. The Charlotte-NARI Chapter will send blank forms to the petitioner upon request. If a letter complaint is received by someone, the NARI office will mail a form to the petitioner and ask that the official form be used or at least signed. If a letter is attached to the official form, the form itself must nevertheless be completed by the petitioner. A major goal of requiring an official form is to solicit a complete set of facts from the petitioner. The official form may be revised from time to time and shall be substantially the same form as in the exhibit attached to this Policy.

e. Notice to the NARI Member. After the Ethics Committee receives the initial petition in the proper format, the Ethics Committee, if it decides that on the face of the petition that an ethics violation possibly occurred, will send the initial petition to the respondent along with a standard notice letter inviting a Reply by the respondent.

f. The Respondent's Reply. The Respondent's Reply must be writing or email, and must be delivered to the NARI office within **20 days** of the initial petition.

g. Petitioner's Rebuttal. There is no automatic step in the process to allow a rebuttal of the respondent's comments by the petitioner. The Ethics Committee, in its discretion, may request further information from the petitioner on a case by case basis.

h. Presentation to Ethics Committee. The NARI office will then present the case to the Ethics Committee during its regular deliberations, for review and action.

i. Hold Harmless Agreement. All parties involved in any activity by the Ethics Committee agree to, and do, as a part of participating in or invoking the Ethics Committee function, hold NARI-National, the Charlotte-NARI chapter, the Ethics Committee, and all their members, harmless for any decisions made, actions taken or not taken, correspondence issued, or for anything involved with the Ethics Committee deliberations. This supplements the hold harmless provisions of the local Bylaws Article VIII.

j. Ethical Standards Defined. This is an important paragraph. This paragraph defines the standards of ethical conduct for NARI members. The committee will consider the following standards to determine if an ethical violation occurred.

1. The Code of Ethics, Charlotte NARI Chapter. The Code of Ethics has historically been printed on the back cover of the NARI member booklet issued periodically by the local NARI chapter. The Code of Ethics is also Article X of the local NARI Bylaws.

2. The Code of Ethics, NARI-National. This Code of Ethics is as listed in the NARI National Bylaws, Article IX. The Charlotte NARI Chapter will not necessarily enforce adherence by Charlotte members to the National Code of Ethics, primarily because the Charlotte Chapter has no authority to enforce national Bylaws, and secondarily because the National Bylaws are not publicized or easily accessible to local members. The Charlotte NARI Chapter, will, however, incorporate those parts of the National Code of Ethics into its local Code of Ethics as it sees appropriate, and will enforce those as to local members.

3. Standards of Practice, NARI National

4. Conduct Unbecoming a Member. This subsection refers to any conduct which, in the sole discretion of the local NARI chapter, is unbecoming a NARI member.

5. Professional standards prevailing in the local community.

Other Considerations

NARI-Charlotte may also consider the following issues or facts, as relevant to the particular situation:

1. Criminal Arrests, Charges, Indictments and Convictions.

2. Civil Charges, Claims, and Convictions.

3. Bankruptcy.

4. Contracting or performing of work which requires a professional license, when no relevant license was actually possessed.

5. Mechanic's liens placed on property.

6. Tax liens filed against a NARI member.
7. Failure to obtain a permit, etc., when one was required.
8. Revocation or suspension of a professional license for cause
9. Excessive adverse media publicity potentially reflecting badly upon NARI
10. Embezzlement, or deceptive, false, illegal, or fraudulent behavior by a member regarding NARI-National or NARI-Charlotte, and especially regarding money, funds, or property of NARI-Charlotte.
11. Prior letters of reprimand issued against the member.
12. Prior adverse action taken against the member by Charlotte-NARI for previous ethical violations.
13. Failure to respond to Charlotte-NARI regarding requests for information in the ethical investigation, or failure to cooperate fully with Charlotte-NARI in the investigation.

k. Appeals.

1. The respondent may appeal the decision of the Board.
2. Any appeal of a decision of the Ethics Committee is to be made directly to the President, Vice-President, Chairman of the Board, or Executive Director of the Association, in writing only.
3. The written appeal must be received by any such person within **35 days** after mailing or delivery in person of the results of the petition.
4. The Board of Directors is the entity authorized to hear the appeal.
5. The Board may decline to hear the appeal, in its sole discretion.
6. The written appeal should explain why the respondent feels that an appeal is likely to result in a different decision by the Board. In other words, appeals which only seek to re-argue the same information and issues previously presented at the initial hearing before the Board are disfavored. Appeals which seek to present new information, witnesses, evidence, arguments, interpretations, etc., or which seek to demonstrate a mistake in the Board's prior decision-making process, are favored.

l. Ethics Committee Notebook. The Ethics Committee will create an ethics committee notebook. A copy of this Handbook, and the relevant policies and printed data cited above shall be affixed into the notebook. The notebook shall be made available to the Ethics Committee during its hearings or other deliberations.

m. Initial Committee Response. The Ethics Committee, or the President, may decline to accept any case referred to the Committee for good cause. The most likely good cause is lack of a claim, or no apparent proof, of unethical behavior.

n. Penalties. The Ethics Committee may recommend any proposed remedy or penalty that it sees fit under the circumstances, for the Board of Directors to consider, which may include, but not be limited to:

1. Revocation of Charlotte-NARI Chapter membership.
2. Probation of Charlotte-NARI Chapter membership.
3. Prohibition of future Charlotte-NARI Chapter membership upon expiration of the current year's annual membership.
4. Retention by the Charlotte-NARI Chapter of "unused" membership dues.
5. Removal of a member from office as an Officer or Director of the Charlotte-NARI chapter, if that is allowed by the Bylaws.
6. Continuation of Charlotte-NARI chapter membership, and renewal of membership, with conditions attached for a specified time period.
7. Removal of a member from a committee to which the member is assigned.
8. Issuance of a letter of reprimand.

The Board of Directors is not bound by the Ethics Committee's recommendations.

Consecutive Ethical Violations, Penalties For. A member may commit an ethical violation, be assessed a penalty less severe than termination of membership, and then have subsequent ethical violations. The Board may take into account that the member had a prior violation(s) when assessing penalties for the later violation(s). In other words, the penalty for a later violation may be more severe than for an earlier violation, even if the unethical behavior was the same for both violations. The rationale is that the member is not conforming to Charlotte-NARI's ethical standards, despite the remedial effect of the earlier penalty. All members agree that, for consecutive ethical violations, more severe remedial efforts are reasonable.

Good ethics are of monumental importance to Charlotte-NARI, for which no amount of money would serve as a substitute. Therefore, the Charlotte-NARI chapter will not be assessing money fines against members for unethical behavior.

o. Investigatory Power. The Ethics Committee is empowered to conduct appropriate investigation into issues brought before the committee, and all NARI members shall cooperate and participate willingly and openly with such investigations. Failure of a local NARI member to cooperate fully with the Ethics Committee shall itself be deemed unethical behavior.

p. Fee for Bringing a Case. There is no fee to bring a case before the Ethics Committee.

q. Rulings by Ethics Committee.

1. All findings by the Ethics Committee must be in writing. No findings will be mailed to the NARI Member.

2. The Board's ruling, being a private matter between the Charlotte-NARI Chapter and the NARI Member, will not be sent to the petitioner, unless the petitioner is the NARI Board or the Ethics Committee.

r. Ethics Complaints Against Ethics Committee Members.

1. If NARI receives an ethics complaint against a member of the Ethics Committee, the following procedure will be used.

2. If the complaint is against a member of the committee who is not the chairperson of the committee, then the chairperson shall administer the complaint jointly with the President, Vice-President, and Chairman of the Board.

3. If the complaint is against the chairperson of the committee, then the President, Vice-President, and Chairman of the Board shall administer the complaint.

s. Conflict of Interest.

1. If a member of the Ethics Committee or the Board of Directors believes that a conflict of interest exists between a respondent charged with unethical behavior and that member of the Ethics Committee or the Board of Directors, then that member shall abstain from the proceedings.

2. If anyone believes that a conflict of interest may exist, or any member wants to be cleared of any perception that a conflict of interest exists, that person may present the situation to the Ethics Committee, and ask for a ruling.

3. If the Ethics Committee finds that no conflict of interest exists, but the respondent disagrees, then the respondent's remedy is to assert the matter to the Board of Directors if the matter gets to the Board. The Board's ruling on the matter is conclusive.

4. Merely because the respondent and an Ethics Committee or Board member are in the same trade or business, and are theoretically in competition with each other, does not automatically mean that a conflict of interest exists.

t. Confidentiality of NARI Proceedings. Ethics Committee proceedings are confidential, and all parties agree that nothing in NARI's file may later be used by the parties in any proceeding, even a subsequent NARI proceeding, except in NARI's sole discretion. All parties agree that NARI personnel, employees, contractors, member, officers, and Directors may not be called to testify or give testimony or depositions about any Ethics Committee proceeding.

Resolution Passed by the Charlotte NARI Chapter

This certifies that this Handbook and Policy has been passed, accepted, and enacted by the Board of Directors of the Charlotte-NARI chapter.

(signed)

(date signed)

Exhibit List

- Exhibit A: NARI National’s Model Grievance Policy
- Exhibit B: Bylaws for the Charlotte NARI Chapter
- Exhibit C: NARI National Bylaws
- Exhibit D: Standards of Practice Manual from NARI National
- Exhibit E: “Policy Manual” from the Charlotte NARI chapter, revised January 2001
- Exhibit F: Initial Petition
- Exhibit G: Receipt Letter to the Petitioner
- Exhibit H: Cover Letter to NARI Member With the Initial Petition
- Exhibit I: Notice of Hearing Letter to the NARI Member
- Exhibit J: Notice Letter of Disposition of Ethics Case

Exhibit “A” : NARI National’s Proposed Model Grievance Policy

Model Grievance Procedure for NARI Chapters Available for Voluntary Adoption by Chapter Board of Directors (Model approved by NARI National Board of Directors on October 12, 2005)

I. Overview

The Core Purpose of the (NAME OF CHAPTER), as a chapter of the National Association of the Remodeling Industry (NARI), is to advance and promote the remodeling industry’s professionalism, product and vital public purpose. As a Core Value, (NAME OF CHAPTER) is committed to being professional: ethical, honest and committed to high standards. (NAME OF CHAPTER) is governed by its Bylaws which represent an agreement between the organization and its members. In addition, (NAME OF CHAPTER) has a Code of Ethics and Standards of Practice to which its members voluntarily subscribe. This grievance procedure was established to assist (NAME OF CHAPTER) and its members uphold the integrity of its Bylaws, Code of Ethics and Standards of Practice.

II. Purview

All members of (NAME OF CHAPTER) will be subject to this grievance procedure.

Step 1. Preparation/Submission of Complaint

The complaint must:

- a. be clearly, concisely documented and typed;
- b. specify the provisions of the Bylaws, Code of Ethics, Standards of Practice, and/or unlawful practice alleged to be breached;
- c. include all pertinent details (date, time, place, individuals involved with complete contact information, supporting documentation);
- d. disclose the relationship of the complainant to the member;
- e. be signed by the complainant;
- f. improper or incomplete submissions may be returned and/or delayed;
- g. The complaint should be forwarded to :
(TITLE OF PERSON)
Attention: Complaint
(NAME OF CHAPTER)
(ADDRESS OF CHAPTER)

Step 2: Response to Complaint

In order to ensure due process, a copy of the complaint will be forwarded to the member. The member will be encouraged to contact the complainant and to resolve the complaint to the satisfaction of all parties. Regardless of the outcome, the member will be required to respond to the complaint in writing within thirty (30) days of the date the complaint was sent to (NAME OF CHAPTER). The response must clearly address the allegations in detail and provide appropriate supporting documentation when necessary. The response must be submitted to (NAME OF CHAPTER) and addressed as outlined in Step 1. In the event that the matter is not resolved to the satisfaction of all parties, the complaint and the response will be forwarded to (NAME OF COMMITTEE WITH ASSIGNMENT OF THIS RESPONSIBILITY) for further review and

disposition. In the event that the matter is resolved by both parties, both parties will receive a letter of acknowledgement by (NAME OF CHAPTER) and a record of the complaint will be archived.

Step 3: (NAME OF COMMITTEE) Review

The (NAME OF COMMITTEE) will review the complaint and response. The committee may recommend a course of action for the parties involved, may dismiss the case, or may request the complainant to seek further action by additional outside third-party (e.g., state licensing/registration body, Consumer Affairs Bureau, Better Business Bureau, civil court, etc.). The final recommendation of the (NAME OF COMMITTEE) will be conveyed to the complainant and to the respondent in writing.

Step 4: Further Action Sought By (NAME OF COMMITTEE)

In the event that the (NAME OF COMMITTEE) seeks further action by appropriate outside third-party, the complaint will remain open for further consideration until such time that the third-party takes action or makes a recommendation and is conveyed by reliable means. Depending on the outcome of the third-party review, the (NAME OF COMMITTEE) may determine that action by the Board of Directors of (NAME OF CHAPTER) is warranted, including but not limited to suspension or revocation of membership. The complainant and respondent will be notified in writing of the decision.

Step 5: Right of Appeal

The decision made by the (NAME OF COMMITTEE) may be appealed by either party to a panel consisting of a minimum of three (3) Officers of (NAME OF CHAPTER). Notice of appeal must be received by (NAME OF CHAPTER) within ten (10) days of the date the (NAME OF COMMITTEE) decision was sent to the party. The panel of Officers shall schedule its own proceedings and timetable for appeal, and its decision shall be final.

Step 6: Final Action

At its next regularly scheduled meeting (following the right to appeal should that be exercised), the Board of Directors of (NAME OF CHAPTER) shall vote on the final decision, and its action will be communicated in writing to all parties including NARI National.

III. Scope of Grievance Procedure

The Grievance Procedure is intended to apply to complaints brought against members by parties other than (NAME OF CHAPTER). Nothing herein shall limit the separate powers of the Board of Directors to take disciplinary action against members for cause.

Exhibit “B”

Bylaws for the Charlotte NARI Chapter

Exhibit “C”

NARI National Bylaws

Exhibit “D”

Standards of Practice Manual from NARI National

Exhibit “E”

“Policy Manual” from the Charlotte NARI chapter, revised January 2001

Exhibit “F”: Form for the Initial Petition

Initial Petition for Possible Ethics Violation – NARI of Charlotte

Petitioner’s Name: _____

Petitioner’s Address: _____

Petitioner’s Telephone: _____

Address where incident occurred: _____

Today’s date: _____ Date when incident occurred: _____

Name of NARI Member (the individual person) who possibly violated ethics rules:

Name of the NARI Member (the company involved) who possibly violated ethics rules:

Please describe the unethical behavior or action: _____

Have you attempted to resolve this matter directly with the NARI member? Please explain:

How were you affected by this incident? _____

Do you have any documents which support your facts? If so, please attach them to this petition.

Please attach a separate sheet of paper to this petition, and describe in detail the incident, the facts, and the specific unethical behavior or conduct displayed by the NARI member. Also describe anything else you feel is relevant to the situation.

Signature of the petitioner: _____

Information About The Ethics Review Process

1. Thank you very much for your participation in NARI's ethics process. It is one of NARI's highest priorities to set itself high above the average remodeler or building trade professional regarding ethics. That is why NARI-Charlotte has an active and high profile ethics procedure.

2. The petitioner, by invoking the Ethics Committee procedures of the Charlotte NARI Chapter, holds the Charlotte NARI Chapter, the Ethics Committee, and all their members and Directors harmless for any decisions made, actions taken or not taken, correspondence issued, or for anything involved with the Ethics Committee deliberations. NARI may send a copy of this petition to the relevant NARI member. The NARI member may reply in writing to NARI, which may be supplied to the petitioner for a response. NARI cannot divulge the results of its investigation of the NARI member because of the NARI member's privacy rights. The Charlotte NARI Chapter will limit its investigation into whether the NARI member should have continued membership in NARI, and under what conditions. *The Ethics Committee will not attempt to actually resolve any dispute between the NARI member and the petitioner.*

The petitioner should mail this petition to NARI as follows:

**Ethics Committee, NARI of Charlotte Executive Director
P.O. Box 12445
Charlotte, NC 28220**

**Exhibit “G”
Receipt Letter to the Petitioner**

National Association of the Remodeling Industry of Greater Charlotte, Inc.
P.O. Box 12445
Charlotte, NC 28220
Telephone (704) 365-6274

Date: _____

To: _____, Petitioner

Address: _____

RE: Ethics Petition Regarding _____, a NARI Member (the “Respondent”)

NARI of Charlotte acknowledges receipt of your petition regarding the possible unethical action or behavior displayed by the Respondent named above.

Charlotte-NARI believes that ethical behavior is of the utmost importance. We believe that excellent ethics are crucial to keeping the NARI name as the ethical standard by which building trade professionals are measured in Charlotte.

As such, Charlotte-NARI has a very detailed and rigorous ethics review policy and process. You can be sure that your petition will be reviewed and given great care and attention.

Again, thank you very much.

Sincerely,

Executive Director
Charlotte NARI Chapter

Exhibit “H”
Cover Letter to NARI Member With the Initial Petition

National Association of the Remodeling Industry of Greater Charlotte, Inc.
P.O. Box 12445
Charlotte, NC 28220
Telephone (704) 365-6274

Date: _____

To: _____, Respondent

Address: _____

RE: Ethics Petition Regarding _____, a NARI Member (the “Respondent”)

Petition Filed by: _____ (the “Petitioner”)

Charlotte-NARI received the attached petitioner concerning you concerning possible unethical action or behavior exhibited by your or your company, as described in the petition.

This petition is being reviewed by Charlotte-NARI in accordance with the Ethics Policy of the Charlotte-NARI chapter.

You may submit a written response to NARI. Please attach any other documents, etc., as you think necessary. You have **20 days** from the date of this letter to reply to the Charlotte-NARI office in writing. Extensions of this time limit will be freely granted upon reasonable request.

You are requested to direct all of your communications about this matter to the Executive Director. If you feel that your case is special, and that you must speak with the President, etc., about this matter, please direct your written request and reasoning to the Executive Director, who will provide them to the NARI officer or Director you specify. A NARI official will respond to you.

Thank you very much for cooperating in maintaining NARI’s excellent ethical standards and reputation in the Charlotte community.

Sincerely,

Executive Director
NARI Charlotte

Exhibit "I"
Notice of Hearing Letter to the NARI Member

National Association of the Remodeling Industry of Greater Charlotte, Inc.
P.O. Box 12445
Charlotte, NC 28220
Telephone (704) 365-6274

Date: _____

To: _____, Respondent

Address: _____

RE: Ethics Petition Regarding _____, a NARI Member (the "Respondent")

Petition Filed by: _____ (the "Petitioner")

As you recall, this matter involves the petition filed by the Petitioner concerning possible unethical action or behavior by you or your company.

The Charlotte-NARI Board of Directors has decided to hear your case at the following time, date, and place. As per the Ethics Policy, you are being given opportunity to be heard concerning this issue.

You may see all information that the NARI office has on this matter, before the hearing, or at the hearing, at your choice. Please call the NARI office to make arrangements or ask questions.

Thank you very much for cooperating in maintaining NARI's excellent ethical standards and reputation in the Charlotte community.

Sincerely,

Executive Director
NARI Charlotte

Time: _____

Date: _____

Place: _____

Exhibit “J”
Notice Letter of Disposition of Ethics Case

National Association of the Remodeling Industry of Greater Charlotte, Inc.
P.O. Box 12445
Charlotte, NC 28220
Telephone (704) 365-6274

Date: _____

To: _____, Respondent

Address: _____

RE: Ethics Petition Regarding _____, a NARI Member (the “Respondent”)

Petition Filed by: _____ (the “Petitioner”)

As you recall, this matter involves the petition filed by the Petitioner concerning possible unethical action or behavior by you or your company.

The Charlotte-NARI Board of Directors has issued its ruling in this matter, described as follows:

Date of hearing before the Board of Directors: _____

Name of Petitioner: _____

Date of the petition: _____

Date of the incident: _____

Decision by the Board: _____

_____.

You may have certain appeal rights, as described in the Ethics Policy.

Thank you very much for cooperating in maintaining NARI’s excellent ethical standards and reputation in the Charlotte community.

Sincerely,

Executive Director
NARI Charlotte