I. ETHICS COMMITTEE.

A. **Duties.** The International Society of Appraisers’ (“ISA”) Ethics Committee (“Committee”) shall receive and respond to appraisal related complaints against ISA members accused of violating the ISA Code of Ethics (“Code”), and implement and enforce the ISA Code of Ethics Disciplinary Procedures (“Procedures”) in a manner best serving ISA.

B. **Composition.** The Ethics Committee (“Committee”) is a standing committee of the ISA comprised of five (5) certified or accredited ISA members in good standing who have never been found to be in violation of the Code. The number of committee members may be increased or decreased from time to time by the Board of Directors (“Board”), but in no event shall the committee be comprised of less than three (3) members. No less than a majority of the Committee members must be current members of the Board.

C. **Tenure.** Committee members shall serve three (3) year terms until their successor is approved by the Board unless they resign or are removed prior thereto in accordance with Section I.E. No Committee member shall serve consecutive terms, but a Committee member may be reappointed to the Committee following a full year off the Committee. Terms should be staggered in order that one (1) Committee member is replaced each year. The Board may extend terms when it deems appropriate. For the purpose of deciding any pending complaint, the Committee Chair may, but is not required to, extend a Committee members’ tenure without obtaining Board approval (to run coterminous with the Committee member elected to replace him/her at the conclusion of their term) until the Procedures applicable to the pending complaint are concluded, and only for the purpose of concluding the pending complaint.

D. **Appointment.** On an annual basis, the Board will appoint an ISA member to serve on the Committee and replace the Committee member whose term is ending. The Board shall determine the Committee member who will serve as the Committee Chair (“Chair”).

E. **Resignation and Removal.** A Committee member may resign at any time upon written notice to the Board and the other Committee members. A Committee member may be removed at any time, with or without cause, by the Board, or by the Chair with the Board’s approval, or as otherwise specified by statute.

F. **Vacancies.** Any vacancy occurring in the Committee shall be filled by the Board at the Board’s earliest convenience. A member appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor, and serving the unexpired term of the predecessor does not preclude said member from being appointed by the Board to a term pursuant to Section I.D., or being appointed to fill another vacancy pursuant to this Section I.F., following the unexpired term.

G. **Authority.** Committee members are specifically empowered by the Board to perform the duties and carry out the processes prescribed by these Procedures.

H. **Restrictions.** Committee members shall recuse themselves with respect to complaints in which they have or appear to have a conflict of interest. If a potential conflict or the appearance of a potential conflict exists with respect to any Committee member, and the member does not recuse himself/herself, the Chair may require the member’s recusal with respect to said complaint. If the Committee member subject to the potential conflict is the
Chair, any other Committee member, after obtaining Board approval, may require the Chair’s recusal with respect to said complaint.

II. COMMITTEE AND CHAIR RESPONSIBILITIES IN GENERAL.

A. **Chair Responsibilities.** The Chair shall receive from ISA’s Executive Director all complaints alleging a violation of the Code. Upon receipt, the Chair will review all complaints and, other than those asserting only a violation of ISA’s trademarks, render a decision in accordance with Section III.C.2. The Chair may request additional information from the person or persons who submitted the complaint (“Complainant”) if in the Chair’s opinion additional supporting documentation is required to make a determination in accordance with Section III.C.2.

From the initial receipt of a complaint through its final determination, the Chair shall: (i) ensure the Committee is working in a timely manner and in accordance with these Procedures; (ii) report to Complainant and the ISA member subject to the complaint (“Respondent”) in accordance with these Procedures; and (iii) archive information regarding all complaints in accordance with these Procedures.

B. **Ethics Committee Responsibilities.** Upon receipt of a complaint from the Chair, the Committee (including the Chair) shall conduct an investigation in accordance with Section III.D and render a decision in accordance with Section III.F.

III. PROCESS FOR ADDRESSING ALLEGED CODE VIOLATIONS.

A. **Subject to Process.** Only complaints alleging conduct by an ISA member in violation of, or otherwise inconsistent with, the Code are subject to these Procedures. All other complaints should be dismissed by the Chair in accordance with Section III.C.2.a. Upon receipt of a complaint, ISA’s Executive Director shall confirm that the Respondent is an ISA member. If Respondent is not an ISA member, the Executive Director shall dismiss the complaint and notify the Complainant of the same.

B. **Complaint.**

1. **Who can file.** Complaints may be initiated by:

   a. any ISA member having first-hand knowledge of alleged unethical conduct; or

   b. any outside party having first-hand knowledge of alleged unethical conduct through direct dealings with the Respondent.

2. **Requirements.** All complaints must be submitted in writing to the ISA Executive Director (“Executive Director”) at the ISA headquarters. The Complaint must:

   a. be dated and signed by the Complainant;

   b. state all pertinent facts known to the Complainant;
c. include any and all pertinent documentation available to support the claim; and

d. cite the section(s) of the Code allegedly violated by the Respondent.

3. **Time of Filing.** A complaint may be filed at any time within one (1) year from the date when the Complainant was aware of, or in the opinion of the Chair or Committee should have been aware of, facts giving rise to the alleged violation of the Code. The Chair shall summarily dismiss any complaint not filed within said one (1) year period.

4. **Officials as Parties.** If the Complainant or Respondent is an ISA Board member, the Executive Director, an elected officer, or a member of the Committee, then the Chair shall immediately notify the ISA President. The President shall then issue appropriate directives to exclude named parties from further participation with respect to the subject Complaint. If the Complainant or Respondent is the President, the Chair shall immediately notify the ISA Vice President, and the Vice President shall then issue appropriate directives to exclude the President from further participation with respect to the subject Complaint.

5. **Withdrawal.** A Complainant may withdraw a complaint only with the approval of the Committee.

**C. Chair Review.**

1. **Trademark Violations.** Upon receipt of complaints alleging a violation of ISA’s trademarks and/or policies relating thereto, the Chair shall forward the complaint to the Executive Director for procedural action. The Executive Director will send a letter to the Complainant to confirm the receipt and consideration for action of the complaint. The Executive Director will process the complaint in accordance with this Section III.C.1.

a. In the case of a first offense, the Executive Director will create a Tracking File, which will include a copy of the complaint and any relevant correspondence. The Executive Director will send a cease and desist letter on behalf of ISA to the Respondent, in a form approved by ISA’s legal counsel, requiring a written reply from the Respondent acknowledging the violation and agreeing to immediately cease and desist the trademark’s improper use and correct all mediums by which the improper use was communicated. The letter will include a deadline for the Respondent’s compliance and written response.

b. If the Respondent provides satisfactory proof that all improper use of the ISA trademark(s) has ceased; all mediums by which the improper use was communicated have been corrected; and that the violator is in full compliance with ISA policy, the Executive Director shall so notify the Chair and the file pertaining to the violator shall be closed.

c. If the Executive Director determines the compliant is a second offense, the Executive Director will notify ISA’s legal counsel and request ISA’s legal
counsel send the Respondent a “cease and desist” letter with copies to the Chair and the ISA headquarters.

d. If the Executive Director determines the complainant is a third offense, the Executive Director will initiate an ethics complaint against the member and forward to the Chair the complaint and all required information. The Chair will submit the formal complaint to the Committee and it will conduct an investigation in accordance with Section III.D. The Executive Director will also send a copy of the complaint and accompanying documents to ISA’s legal counsel for consideration and recommendation to the ISA Board regarding its legal options.

2. Complaints (Other Than Trademark Violations). Except for alleged violations of ISA’s trademarks and/or ISA’s policies relating thereto, upon receipt of a complaint from ISA’s Executive Director, the Chair shall review all complaints and, thereafter, in his or her discretion, render one (1) of the following determinations:

a. The complaint does not comply with the requirements of these Procedures;

b. The complaint contains insufficient information to establish conduct in violation of or inconsistent with the Code;

c. The complaint does not set forth facts which, if true, would constitute conduct in violation of or inconsistent with the Code;

d. The complaint is otherwise unworthy of further consideration; or

e. The complaint contains information which, if true, would reflect a violation of the Code, and warrants further investigation by the Committee.

The Chair may consult ISA’s legal counsel for assistance in rendering one of the above determinations. If the Chair renders determination “a,” “b,” “c,” or “d,” the complaint shall be dismissed, and the Chair shall provide notifications in accordance with Section III.J.1. If the Chair renders determination “e,” the Chair shall provide copies of the complaint to the other Committee members and schedule a meeting to review it with the Committee.

3. Effect of Pending Proceeding(s). If: (i) Respondent is a defendant/accused in any pending legal proceeding (“Pending Proceeding”) at the time the Chair receives a complaint; (ii) the Pending Proceeding and the complaint involve related claims or facts; (iii) the Chair is aware of the Pending Proceeding at the time the Chair renders a determination in accordance with Section III.C.2; and (iv) the Chair renders determination “e” of Section III.C.2, then the Chair shall postpone scheduling the initial meeting to review the complaint with the Committee, and the Committee shall not conduct an investigation pursuant to Section III.D., until the conclusion of the Pending Proceeding. Notwithstanding the foregoing, if the Chair determines it may be in ISA’s best interest not to postpone the investigation of a complaint pursuant to this Section III.C.3., the Chair shall call a Committee
meeting for the purpose of having the Committee determine whether the investigation should be postponed pursuant to this Section III.C.3., or proceed with an investigation in accordance with Section III.D. The Committee may consult ISA’s legal counsel for assistance in making this determination. The Committee’s decision in this regard is final, and not subject to appeal.

D. Committee Investigation. Upon receipt of a complaint from the Chair, the Committee shall conduct an investigation into the Complainant’s allegations, and determine whether the Respondent has acted in violation of or inconsistent with the Code. The Chair shall schedule a Committee meeting (via conference call), during which the Committee will discuss the complaint and all documents submitted therewith, and determine the appropriate investigation it will conduct and the tasks each Committee member will complete in connection with said investigation, in order to render a decision in accordance with Section III.D. The Committee shall determine, in its sole discretion, the manner and extent of its investigation with respect to each separate complaint. The Committee shall meet (via conference call) as many times as it deems appropriate in connection with its investigation. It is anticipated, but not required, that the Committee will contact and interview the Complainant and the Respondent as part of its investigation. As part of the investigation, the Committee may provide the Respondent with a copy of the complaint, notify the Respondent that an investigation is being undertaken, and/or inform the Respondent of the conduct alleged to be in violation of or inconsistent with the Code. If requested by the Committee, the Respondent may submit a written response to the Committee within twenty-one (21) days of the date of the Committee’s request. The Respondent’s failure to reply to a Committee’s request for a response will not prevent the Committee from proceeding with its investigation. Following its investigation, the Committee shall render a decision in accordance with Section III.E.

E. Committee Decision. Subsequent to and based on its investigation, the Committee, by majority vote, shall meet (via conference call) and render a decision regarding whether the Respondent’s conduct did or did not violate, or was or was not inconsistent with, the Code. The decision will be based on the documentation and information submitted by Complainant and Respondent, and any additional documentation and information gathered during the Committee’s investigation.

If the Committee determines Respondent did not violate, or act inconsistent with, the Code, the complaint shall be dismissed and the Chair shall provide notifications in accordance with Section III.J.1. If the Committee determines Respondent violated, or acted inconsistent with, the Code, the Committee shall inform the Board in writing of its decision, may include the basis for its decision and shall include a specific recommendation that the Board impose one or more of the following disciplinary actions:

1. That an unpublished letter of censure be presented to the Respondent;
2. That a published letter of censure be presented to the Respondent;
3. That Respondent be required to complete certain remedial education;
4. That Respondent’s ISA accreditation and/or certification be suspended pending satisfaction of a specified remedy;
5. That Respondent’s ISA accreditation and/or certification be suspended for a specified period of time;

6. That Respondent’s ISA accreditation and/or certification be removed;

7. That Respondent’s ISA membership be suspended for a specified period of time; and/or

8. That Respondent’s ISA membership be terminated.

F. **Board Decision.** At the next regularly scheduled Board meeting, the Board shall consider all Committee recommendations submitted to the Board in accordance with Section III.E. and either:

1. follow the Committee’s recommendation and direct the recommended sanction be imposed against the Respondent;

2. direct that a different and/or additional sanction or sanctions be imposed against the Respondent; or

3. direct that the Committee provide certain specific information to the Board with respect to the complaint in order that it may render a decision in accordance with Sections III.F.1 or III.F.2.

G. **Notice to Parties and Imposition of Sanctions.** Upon rendering a decision in accordance with Sections III.F.1 or III.F.2, the Board shall provide written notice to the Chair and the parties of the Board’s decision, including, if the Board deems appropriate, any sanctions. No sanction shall be imposed within thirty (30) days of the day the Board sends notice of its decision to the Respondent, and, if an Appeal is filed within said thirty (30) days in accordance with Section III.H., no sanction shall be imposed pending the outcome of the Appeal.

H. **Appeal Process.** If the Board renders a decision adverse to the Respondent, the Respondent may file a written appeal to the Board within thirty (30) days of the date notice of the Board’s written decision was sent in accordance with Section III.G.. Any appeal must be signed by the Respondent, may include information and documentation as deemed appropriate by the Respondent, and must at a minimum contain a statement setting forth the basis for the appeal and the reason the decision of the Board should be reversed. Appeals may only be based on an alleged failure by the Committee to follow these Procedures and/or exercise its duties pursuant to these Procedures. All other Appeals will be denied without further consideration. Without limiting the foregoing, Appeals based on the following will not be considered:

1. A disagreement with the Committee’s discretionary findings and/or decisions, where the use of its discretion is provided for in the Procedures;

2. Any proposed reconsideration of matters, information, documents, evidence, or issues presented for consideration by the Committee; and

3. Any matters, information, documentation, evidence, or issues previously available but not presented for consideration by the Committee.
The Board shall review all timely written Appeals. If the Board deems it necessary and/or appropriate, it may provide a copy of the written Appeal to the Chair and request a written response. Upon its consideration of the written Appeal and any requested response from the Chair, the Board shall either:

1. find that the Committee followed the Procedures and acted within its discretion in rendering its decision and recommendation to the Board, and therefore affirm the Board’s decision pursuant to Section III.F.1 or III.F.2.; or

2. find the Committee failed to follow the Procedures or otherwise abused its discretion, and therefore reverse the Board’s prior decision pursuant to Section III.F.1 or III.F.2. The rendering of this decision will dismiss the complaint as if no finding adverse to the Respondent was made.

I. Decisions Final. All dismissals of complaints by the Chair or the Committee in accordance with these Procedures shall be final. All decisions of the Board with respect to all complaints, whether pursuant to Section III.F.1 or III.F.2 if no timely appeal is submitted, or pursuant to Section III.H in response to an appeal, shall be final.

J. Conclusion of Process.

1. Dismissals. If a complaint is dismissed at any stage of these Procedures, the Chair shall forward notice of the dismissal to the Complainant, Respondent, and the Executive Director.

2. Adverse Decisions. If the Board renders an adverse decision against Respondent in accordance with Section III.F.1 or III.F.2, and the decision is either not appealed or is affirmed on Appeal, the Board shall proceed as follows:

   a. If the Board’s decision calls for a letter of censure, the Board shall direct the Executive Director to work with the Chair and ISA legal counsel to prepare a draft letter of censure for the Board’s approval. All letter of censure must be approved by ISA’s legal counsel. Once approved by the Board, the Executive Director shall forward the approved censure letter to the Respondent. If the Board’s decision includes a published letter of censure, the Executive Director shall disseminate the censure in accordance with the Board’s instruction.

   b. If the Board’s decision calls for remedial education, the Board shall direct the Executive Director to notify Respondent and require Respondent to notify the Executive Director upon completion of the required remedial education.

   c. If the Board’s decision calls for the suspension or revocation of a member’s ISA Certification, Accreditation, and/or membership, the Board shall direct the Executive Director to notify Respondent of the imposed sanction. The revocation of a Respondent’s Certification, Accreditation, and/or membership may be disclosed outside of the Committee and Board in order to make others aware that the Respondent is no longer Certified,
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Accredited, or an ISA member (as the case may be) and to the extent required for the protection of the ISA, its members, and/or the public.

d. The Board shall direct the Executive Director to notify the Chair and the Complainant of the Board’s decision and the specific sanction imposed on Respondent.

3. Closure. Upon completion of all action related to a complaint, the Chair will seal all related documents, notes, computer diskettes, voice recordings, and any other tangible information, and deliver the sealed case file to the ISA headquarters for permanent storage.

IV. BOARD RESPONSIBILITIES.

Except for the Board’s decision rendered in accordance with Section III.F., all other responsibilities set forth herein to be exercised by the Board may be exercised by ISA’s Executive Committee on behalf of the Board in accordance with ISA’s bylaws.

V. FUNDING.

During the annual budgeting process, the Committee shall identify and submit to the Board funding requests to cover the projected costs and expenses associated with fulfilling these Procedures. Should additional funding be necessary, the Chair shall submit to the Board a supplemental request prior to incurring the associated costs and expenses. Complainant’s and Respondent’s expenses are not funded by ISA.

VI. CONFIDENTIALITY.

Except as deemed necessary by the Committee or the Board to be in furtherance of the Procedures or otherwise in the best interest of ISA, the Complainant, Respondent, and all persons involved in the administration and/or review of a complaint, shall not discuss with or disclose to anyone outside of the Committee and/or the Board (i) information or documentation pertaining to the subject matter of any complaint; (ii) the identification of any parties or potential witnesses involved with any complaint; (iii) the procedural history, current status, or outcome of any complaint; or (iv) any other information or documentation related to the Committee’s and/or Board’s activities in response to any complaint. Notwithstanding the preceding prohibition, and to the extent not prohibited by law, anyone required by law and/or a court order to disclose information, the disclosure of which is prohibited hereby, must provide the Chair and the Board with a copy of the applicable legal basis and/or court order immediately upon their receipt thereof and prior to any disclosure. Notwithstanding anything contained herein to the contrary, and without limiting Section VII, under no circumstances shall a Board member, Committee member, ISA’s Executive Director, ISA’s headquarters’ staff, or any other ISA representative be liable to Complainant or the Respondent for a disclosure of the information identified above or any actions taken in furtherance of the Procedures.

VII. RELEASE AND INDEMNIFICATION.

All Complainants and Respondents shall be provided a copy of these Procedures. All Complainants (by submitting a Complaint and initiating these Procedures) and all Respondents (by choosing to be an ISA member and thereby be subject to ISA bylaws and these Procedures) agree to release, indemnify and hold harmless ISA and all Board members, Committee members, ISA’s Executive Director, ISA’s headquarters’ staff, and all other ISA representatives (collectively “Released Parties” and each individually a “Released Party”) from and against any and all claims, demands, actions, losses, damages and expenses (including

Approved by BOD October 30, 2019

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reasonable attorneys’ fees and costs incurred in defending such claims), directly or indirectly resulting from, arising out of, or in any way related to the Released Parties, or any Released Party’s actions in connection with the implementation of these Procedures.

VIII. GOVERNING LAW.

ISA is an Illinois Not-For-Profit Corporation. All Complainants (by submitting a Complaint and initiating these Procedures) and all Respondents (by choosing to be an ISA member and thereby be subject to ISA bylaws and these Procedures) agree that: (i) they understand, agree with, and are subject to these Procedures; (ii) Illinois law shall govern all legal issues, if any, that may arise out of a complaint submitted in accordance with these Procedures and/or in any other regard pertaining to the implementation of these Procedures; and (iii) any claim or dispute related to, connected with, or arising out of a complaint submitted in accordance with these Procedures and/or the implementation of these Procedures, shall be adjudicated in the courts of the State of Illinois and in particular in either the Cook County Circuit Court or the United States District Court for the Northern District of Illinois.

IX. AMENDMENTS.

These Procedures may be amended only upon a majority vote of the Board.