



The Voice of the 1031 Industry

PROCEDURES FOR CHARGES OF MISCONDUCT AND ENFORCEMENT

- A. Any person, whether or not a member of the Federation of Exchange Accommodators ("FEA"), may file a charge of misconduct against a member of the Federation. Grounds upon which a charge may be made under Code of Ethics are limited to those listed in Appendix A attached hereto. Such person shall hereafter be called the "Complainant". The Complainant shall submit to the Chair of the Federation of Exchange Accommodators Ethics Committee a written complaint (using the form attached hereto as Appendix B) specifically identifying the Exchange Accommodator and any employees thereof, and describing in as much detail as possible the conduct that allegedly is a violation of the Code of Ethics and Conduct and which is included in the Grounds listed in Appendix A. The complaint must be signed, and must provide the Complainant's contact information, in the event the Ethics Committee requires additional information or otherwise needs to contact the Complainant. The Complainant is urged to maintain confidentiality and privacy to the extent practical. However, the complaint shall be accompanied by all relevant documentation that is readily available to the Complainant. The Complainant should NOT send a copy of the complaint to the Exchange Accommodator who is the subject of the complaint.
- B. The Ethics Committee Chair shall provide the other members of the Committee with a copy of the complaint and any attachments thereto. Within two (2) weeks of receipt of the complaint, the Ethics Committee shall provide the Exchange Accommodator with a copy thereof, which shall be sent by certified mail or other similar means. Said Exchange Accommodator shall thereafter be known as the "Respondent" with respect to the pending complaint. The Ethics Committee shall notify the Respondent by way of a transmittal letter, whether a response is required, or whether the complaint is being summarily dismissed because it is clearly without merit. A copy of said transmittal letter shall be provided to the Complainant unless no address was provided, by certified mail or other similar means.
- C. No party is required to be represented by counsel at any stage in the proceedings. However, any party may be so represented at their own discretion. At no time will any

investigation or other portion of the process be delayed by more than thirty (30) days so that a party may obtain such representation.

- D. A respondent shall have thirty (30) days from receipt of the complaint to file a preliminary response to the Ethics Committee Chair. An extension of up to fifteen (15) days may be granted by the Ethics Committee upon written request and showing of good cause, provided such request is received by the Committee Chair within the thirty (30) day period. Failure to make a timely preliminary response shall constitute a failure to cooperate with the Ethics Committee's investigation and admittance of all material facts and allegations as set forth in the complaint. Additionally, such failure to cooperate may form the basis of a separate complaint and violation, and any member of the Ethics Committee with personal knowledge of this failure to cooperate may file a complaint regarding such actions or inactions.

The preliminary response shall include: all relevant documentation; the names, addresses, telephone numbers and other means of contacting any witnesses to the events and a statement of all relevant facts and circumstances that would reasonably be relied upon to contradict the allegations as set forth in the complaint. Because the motivation of the Complainant is not relevant, the Respondent should not discuss such motivation in the preliminary response. The Ethics Committee will forward a copy of the preliminary response to the Complainant by certified mail or similar means, allowing the Complainant fifteen (15) additional days to further response. There shall be no further submissions from either party except upon the specific, written request of the Ethics Committee.

- E. Upon receipt of the written submissions of the parties, the Ethics Committee shall determine if any further investigation is necessary. If the Ethics Committee determines that further investigation is necessary, it may appoint one of its members to conduct such further investigation on behalf of the full Committee. The Respondent must cooperate with such investigation, and shall encourage others with relevant information, including but not limited to its employees, to do so as well.
- F. Upon receipt of the written submissions of the parties, and the results of any further investigation, the Ethics Committee shall have up to thirty (30) calendar days to conduct its review and prepare its report to the Board of Directors. The report shall contain a narrative stating: the Grounds upon which the Code is alleged to have been violated; a review of the documentation that sets out the facts that were not in dispute; a review of the submissions and testimony submitted by the parties; and a recommendation of action to be taken by the Board of Directors.
- G. The Board of Directors shall make a decision regarding the matter within thirty (30) calendar days of receipt of the Ethics Committee Report. The Board of Directors shall notify the Complainant and Respondent in writing of its decision by certified mail or similar means. The decision of the Board of Directors shall be the final determination of the matter. Shown as Appendix C is a chart outlining the time elapsed for the process

described in these procedures. Resolution of the matter may be accomplished, if feasible, in a shorter time frame.

- H. Upon a finding by the Board of Directors that the Respondent has failed to meet the standards of conduct imposed by the Code of Ethics and Conduct and the Grounds listed herein, the Board of Directors shall impose a penalty or penalties from among the following: (i) suspension of the Respondent's membership in the Federation of Exchange Accommodators including any and all rights and privileges associated therewith, said suspension may be listed on a publicly accessible portion of the Federation of Exchange Accommodators website and may be made part of the Respondent's file (such suspension may include conditions imposed by the Board for reinstatement; or (ii) permanent expulsion from the Federation of Exchange Accommodators, said expulsion may be listed on a publicly accessible portion of the Federation of Exchange Accommodators website and to be made part of the Respondent's file.
- I. To the extent that the Ethics Committee determines, after adequate investigation, that the Respondent may be guilty of criminal activity, the Ethics Committee shall immediately report such determination to the Board of Directors.

To the extent that the Board of Directors determines that the Respondent may be guilty of criminal activity, the Board of Directors may choose to report its findings to the appropriate authorities.

- J. In the event a Respondent continues to claim an association with the Federation of Exchange Accommodators after suspension or expulsion, the FEA Board of Directors may, at its option, pursue such other legal remedies as may be available to the FEA in any or all of the jurisdictions in which the Respondent maintains offices, or in the home jurisdiction of the FEA.

Appendix A

Grounds Upon Which Complaints May be Made

1. An Exchange Accommodator, or its current principal, officer, director or employee is under investigation for, charged with, or convicted of an act of fraud, embezzlement, misappropriation of funds, conversion of the property of another, theft, forgery or such similar acts as may be defined by local, state or federal law.
2. An Exchange Accommodator, or its current principal, officer, director or employee holding any other professional license or designation, has a license or designation suspended or revoked, or voluntarily relinquishes such designation or license, due to activities concerning fraud, embezzlement, misappropriation of funds, conversion of the property of another, theft, forgery or any crime (misdemeanor or felony).

Appendix B



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Federation of Exchange Accommodators

**COMPLAINT OF VIOLATION OF THE
CODE OF ETHICS AND CONDUCT**

This form may be used to submit a complaint to the Ethical Committee that alleges a violation of the Federation's Code of Ethics and Conduct by a member.

**Send completed form to: Ethics Committee
Federation of Exchange Accommodators
1255 SW Prairie Trail Pkwy.
Ankeny, IA 50023-7068**

Information About The Complainant
Name of complainant:
Address:
Daytime phone number:

<i>Identify The Company or Person Who Is The Subject Of Your Complaint</i>
Name of company or person who is the subject of your complaint:
Address:
Office held:

Identify The Grounds Upon Which The Code of Ethics and Conduct Believed To Have Been Violated

Grounds upon which a complaint may be filed are listed in Exhibit A of the Federation of Exchange Accommodators Procedures for Charges of Misconduct and Enforcement. You may find the complete text of the Code of Ethics and Conduct on the FEA's website at www.1031.org/ethics. You may also obtain a copy of the Code of Ethics and Conduct by calling the Federation at (515) 244-6515.

Grounds for Complaint:

Nature Of The Complaint

Provide a statement of the facts known or believed by you to be true that form the basis of the complaint, including the approximate dates of the acts alleged. You may attach your statement on a separate sheet(s) of paper. Any further information that might support your allegations should be submitted with this complaint, including but not limited to, the names and addresses of other persons with personal knowledge of the facts alleged, documents or other evidentiary material.

Certification

I affirm that the facts stated in this complaint are true to the best of my knowledge.

_____	_____
Signature of	Date

Investigation of Complaints by the Ethics Committee

Any person may submit a complaint to the Ethics Committee alleging a violation of the Federation's Code of Ethics and Conduct by a member of the Federation. The Committee Board may not consider any alleged violation wherein the Complaint Form is not signed, anonymous, illegible, or otherwise provides insufficient information on which the Committee may act.

The procedures to be followed by the Ethics Committee are available online along with the Code of Ethics and Conduct.

You may obtain a copy of the Code of Ethics and Conduct online at www.1031.org/ethics.

Appendix C

Description	Time	Cumulative time elapsed if no extension	Cumulative time elapsed if extension applies
Receipt of Complaint by Ethics Committee	Start		
Ethics Committee disseminates the Complaint to Committee Members and the Respondent	2 weeks	2 weeks	
Respondent files response	2 weeks	4 weeks	
Respondent request an extension to respond	2 weeks		6 weeks
Ethics Committee prepares report for Board of Directors	2 weeks	6 weeks	8 weeks
Board of Directors makes decision and communicates to Complainant and Respondents	4 weeks	10 weeks	12 weeks