



Resolution: Regarding Payments of Monetary Incentives

WHEREAS, the payment of monetary incentives to representatives of customers at NAAA member auctions exposes members to violations of the NAAA Code of Ethics in several respects; and

WHEREAS, NAAA needs to provide guidelines on this issue for its members, and guidance in addition to that provided in the Resolution dated May 31, 2002 and the Revised Resolution dated October 3, 2003 is necessary.

NOW, THEREFORE, be it resolved by the NAAA Board of Directors:

Payment of monetary incentives to encourage or entice representatives of customers to bid on vehicles violates the NAAA Code of Ethics, including, without limitation, Paragraphs 3, 4, 5 and 6, regardless of whether the incentive is provided by a member, the seller or a third party. Violation can result in disciplinary action against a member in accordance with NAAA's established grievance procedures, including termination of membership.

Payment of monetary incentives to customers or their authorized representatives does not violate the NAAA Code of Ethics if payment is made by a credit to the customer's account or by a check payable to the customer and mailed by the member to the customer (or, if a gift other than money, mailed or delivered by the member to the customer), and an IRS Form 1099 is issued to the customer if required by law.

It does not violate the NAAA Code of Ethics to advertise "Cash Giveaway" or similar promotions so long as an appropriate disclosure is made that payment will be made by a check payable to the member's customer, or credited to that customer's account.

"Monetary Incentives" are not limited to cash and include anything of value such as gift cards, gift certificates or gifts of travel.

Dated this 28th day of April 2004.