

## Business and Operating Ethics.

All members of the National Aircraft Appraisers Association are bound by the following ethics rules. Failure to adhere to these rules will initiate an evaluation by the Peer Review Committee and could result in expulsion from the Association.

In order for NAAA appraisals to be meaningful and trustworthy, those who purchase, use, or depend upon them for any purpose must have faith in them. That faith is generated by the individual appraiser who adheres to the highest ethical practices. Failure to do so will result in “outing” of that appraiser by poor “word of mouth” advertising in his area. This “bad press” will reflect poorly on every other NAAA member and the Association itself.

Rule #1. All NAAA members will perform ethically when accepting an assignment from a potential client. An appraiser may not accept any job that he or she is not qualified to complete. It is acceptable for the appraiser to contact another appraiser who is qualified to do that particular job and assign it to that person. However, the appraiser who is qualified to complete the job will have control over every aspect of it, though the unqualified appraiser may take part in it and assist the qualified appraiser through mutual agreement.

Rule #2. An NAAA appraiser will not accept any job that requires that a predetermined opinion or conclusion will be reported. An NAAA member will, under no circumstance, accept a job where the appraiser’s fee is contingent upon the outcome of the appraisal report.

Rule #3. An NAAA appraiser will not accept any job that will result in a conflict of interest, real or perceived, with regard to that appraiser. A conflict of interest exists any time an appraiser has any type of interest in the airplane being appraised. Personal interest may include, but is not limited to, an aircraft that the appraiser owns or partially owns, or that he or she may receive or is receiving compensation in any form from its rental, sale, or use.

Rule #4. NAAA members will not offer an NAAA Certified Appraisal or NAAA Market Analysis on aircraft that are not included in the NAAA database.

Rule #5. NAAA members performing Certified Appraisals are not advocates for their clients causes. They must act as an independent, objective, unbiased party at all times. An NAAA member may be an advocate only to the extent that he or she supports his or her appraisal reports.

Rule #6. When acting as a Buyer's Agent and an NAAA or NAAA/USPAP Appraisal is a component of the service, an NAAA member's fee for acquisition services may not be based on a percentage of the purchase price.

Rule #7. NAAA members may not engage in criminal conduct inside or outside of their appraisal practice. Criminal conduct of any type may call into question the reliability and credibility of any appraisal that person is responsible for.

Rule #8. NAAA members must maintain the confidential nature of the appraiser-client relationship. Under no circumstance will an NAAA member disclose the results of any appraisal report, or any information gathered in the conduct of that appraisal, to anyone without the express permission of his client. There are two exceptions. The first is the transmittal of the appraisal work to NAAA headquarters whose members and employees work under the same confidentiality constraints. Appraisals transmitted to NAAA headquarters will be used for internal purposes only. The second is when the appraiser is compelled by state or local enforcement agencies to disclose the subject appraisal under due process of law.

Rule #9. Members who are endorsed as NAAA/USPAP appraisers will adhere to the USPAP standards and operational requirements as published in the Uniform Standards of Professional Appraisal Practice when conducting NAAA/USPAP appraisals.

Rule #10. An NAAA appraiser will utilize the most current, accurate, and relevant market data in the preparation of the appraisal report with respect to the subject aircraft and the purpose of the appraisal, as identified by the client and the appraiser, and the scope of work as identified by the appraiser.

Rule #11. Appraisals performed on behalf of another member ("referral appraisals"), will be completed with the same standard of quality as appraisals normally submitted by the member to whom the appraisal was referred.

Rule #12. NAAA appraisers must disclose in the appraisal report any employer/employee relationship that extends beyond the client/appraiser association.