

**BYLAWS OF THE
ARIZONA COLLECTORS ASSOCIATION, INC.
As Revised August 2005**

ARTICLE I - NAME AND LOCATION

The name of this Association shall be The Arizona Collectors Association, Inc. (Association), and it shall be incorporated as a non-profit corporation under the laws of the State of Arizona without capital stock.

The principal office of the Association shall be located at the place of business of the professional association management company. In the event a professional management company is not currently employed by the Association, the principle office shall be located at the place of business of the President of the Association

ARTICLE II - PURPOSE

The Purpose of this Association shall be to:

- (a) Serve as a collective voice of the members on legislative and regulatory issues which impact the members' delivery of credit and collection services;
- (b) Provide educational opportunities and services which further and promote the optimum delivery of credit and collection services and professional development of Association members;
- (c) Prescribe and enforce a code of conduct and ethics;
- (d) Provide for a central location as a first choice for information and service
- (e) Facilitate member communications and operations among and between the members, the Association and ACA International; and
- (f) Assist members in serving their communities and meeting the challenges created by changing markets through leadership, direction, education and service.

ARTICLE III - MEMBERSHIP

Section 1. Membership Qualifications

Any person, firm or corporation operating from an office located in the State of Arizona who is actively engaged in the collection agency profession and who subscribes to the practices of the Code of Ethics and Rules of Conduct adopted by the members of this Association may become a member upon satisfaction of the following requirements:

- (a) Full compliance with all members requirements of ACA International:
- (b) Full compliance with the licensing and regulatory requirements of the State of Arizona Department of Banking as a collection agency.

Each application for membership shall be approved by the Association's Board of Directors. Each applicant must meet all requirements.

Except in the case of Special Membership Categories, membership shall be construed by this Association to mean that the agency itself holds the membership. The member agency must designate its particular representative to act on its behalf in Association affairs. Membership in the Association is not transferable.

Section 2. Special Membership Categories

There shall be a special category of membership in this Association known as MAP Attorney Members, Creditors International Members, and Affiliate Members. Any person or entity who maintains a membership in ACA International as a MAP Attorney, Creditors International Member or ACA Affiliate Member may become of member of this category by making application which certifies they are members in good standing of ACA International's MAP Attorney, Creditors International or Affiliate Member division and they agree to be bound by the Association's Bylaws, Code of Ethics and Rules of Conduct.

Membership in this category shall not confer the right to vote in any matters of business of this Association.

Section 3. Application for Membership

Applications for membership shall be made on a form provided by ACA International. Complete applications shall be submitted to the Chair of the Membership Committee. Each application shall be accompanied by proof of compliance with the Membership requirements as provided in these Bylaws, and by payment of one year's dues and assessments, if any, for the ACA International, and one year's dues and assessments, if any, for the Arizona Collectors Association, Inc., plus an additional \$25.00 application processing fee. The application processing fee (\$25.00) is not refundable.

Within forty-five (45) days of receipt of the application for Unit membership, the Association will submit the application to the Chief Executive Officer of ACA International.

A majority vote of the Board of Directors shall determine whether an application is approved or declined. Any applicant whose application for membership has been denied shall have the right of appeal at the next Board of Directors meeting or at a special meeting called for this purpose by the President. If membership is denied by the Board of Directors, all funds remitted by the applicant shall be refunded with the exception of the application processing fee. Subsequent applications may be submitted by the applicant without additional payment of any application processing fees.

Section 4. Change of Ownership

Membership in this association is not transferable. Upon change of ownership or controlling interest, the membership shall automatically terminate, except as defined in the Standard Operating Procedures of ACA International. There shall be no refund of dues, fees or payments of any kind upon the termination of membership for this reason.

Section 5. Resignation

Any member may withdraw from the Association after giving written notice of such intention delivered to the Chief Executive Officer of ACA International or an office of the Arizona Collectors Association, Inc.

There shall be no refund of dues, fees or payments of any kind upon resignation by any member of this association.

Section 6. Sanctions and Termination

Any member may be admonished, suspended or expelled for cause, which shall include but not be limited to: violation of any of the Bylaws, Standard Operating Procedures, or Code of Ethics of the Arizona Collectors Association Inc. or ACA International; for engaging in conduct prejudicial to the best interests of the Arizona Collectors Association Inc. or ACA International; or for the non payment of dues, assessments and/or charges due the Association.

In the event that a member is subject to admonishment, suspension or expulsion of any of the foregoing reasons, the Association shall adhere to the procedures set forth in these Bylaws.

The termination of member's membership in ACA International shall cause the immediate termination of that member's membership in this Association. The Secretary of this Association shall provide any such member with written notice of termination and the effective date thereof, within 30 days of receipt of this information from ACA International.

Section 7. Grievance Process

Admonishment, suspension or expulsion due to a member's violation of any of the Bylaws or Code of Conduct of the Arizona Collectors Association, Inc., the rules, regulations or Code of Ethics of ACA International, or for conduct prejudicial to the best interests of the Arizona Collectors Association Inc, or ACA International shall be the responsibility of the Grievance Committee. Prior to making any determination on a matter, a statement of the charges shall be mailed by certified mail to the member at the member's last recorded address at least 15 days in advance of any meeting of the Grievance Committee at which the matter shall be considered. This statement shall

be accompanied by a notice of the time and place of the Grievance Committee meeting at which a decision on the matter shall be made and of the member's right to present a defense at the time and place mentioned in such notice.

A decision of the Grievance Committee may be appealed in writing, to the Executive Committee of this Association. Within forth-five (45) days of receipt of any such notice of appeal, the Executive Committee shall meet to determine whether the decision of the Grievance Committee should be sustained or reversed. Prior to making any decision on the matter appealed, a statement of the charges shall be mailed by certified mail to the members' last recorded address at 15 days in advance of any meeting of the Executive Committee at which the matter shall be considered. This statement shall be accompanied by a notice of the time and palace of the Executive Committee meeting at which a decision on the appeal shall be made and of the member's right to present a defense at the time and place mentioned in such notice.

The Executive Committee may sustain or reverse the decision of the Grievance Committee upon the majority vote of the members of the Executive Committee of this Association.

A decision of the Executive Committee may be appealed, in writing, to the Board of Directors of this Association. Within forth-five (45) days of receipt of such notice of appeal, the Board of Directors shall meet to determine whether the decision of the Executive Committee should be sustained or reversed. Any appeal from a decision of the Executive Committee shall be decided upon by a majority vote of the Board of Directors of this Association provided that a statement of the charges was mailed by certified mail to the member at the member's last recorded address at least 15 days before final action is taken thereon. This statement shall be accompanied by a notice of the time and place of the Board of Directors' meeting at which a decision on the appeal shall be made and of the member's right to present a defense at the time and place mentioned in such notice.

All information relating to any action involving a member and which is provided to any member of the Grievance Committee, The Executive Committee or Board of Directors in their capacity as a representative of this Association shall be kept strictly confidential. Any such member's disclosure of such information to any person not otherwise in service on the same Committee or Board will subject the member to removal from office for cause and sanctions in accordance with these Bylaws.

Section 8. Reinstatement

Any member sanctioned for non-payment of dues, assessments or monies owned to this Association or for cause may be reinstated by the Board of Directors provided all dues and assessments and monies owned the Association due at the time the member was expelled, together with all dues, assessments and monies that became due subsequent to the date the member was expelled, up to the date of reinstatement, are paid to the Association.

ARTICLE IV – FISCAL YEAR

The fiscal year of this Association shall begin on the first day of June of each year and end on the 31st day of May the following year.

ARTICLE V – DUES AND ASSESSMENTS

The annual dues for membership shall be fixed by the Board of Directors and shall be payable annually in advance. Any member whose dues remain unpaid for sixty days (60) after the fiscal year begins may be placed on probation, suspended or expelled from this Association by the Executive Committee.

Dues shall not be refundable to any member who membership is terminated for any reason.

The Board of Directors may, by a two thirds majority vote of all members of the Board of Directors, recommend special assessments. These recommendations must be approved by a majority of the members present and voting at the annual Meeting of the Membership. If approval is granted, all members shall pay the assessment. Failure to do so shall be cause for expulsion.

ARTICLE VI – ANNUAL MEETING OF THE MEMBERSHIP

The Association shall hold an Annual Meeting of the Membership in conjunction with the Association's Annual Conference at such time and place as determined by the Board of Directors.

The purpose of the Association's Annual Meeting of the Membership is to elect the Association's Officers for the following year, to receive the annual report of the Officers, Directors, Committees, and the President, and to conduct such other business as directed by the Board of Directors.

The place, date, time and purpose of the Annual Meeting of the Membership shall be provided to each member of this Association not later than 15 days prior to the opening date of such meeting.

ARTICLE VII- BOARD OF DIRECTORS

The affairs of this Association shall be governed by a Board of Directors, which shall consist of the President, who shall serve as Chair, the President-Elect, the Vice President, Secretary/Treasurer, the immediate Past President, one or more National Directors, the current MAP Chairperson for the State of Arizona as appointed by ACA International, and at least three members of the Association serving as Unit Directors.

Section 1. Meeting of the Board of Directors

The Board of Directors shall meet at least once each year prior to the annual Meeting of the Membership. It may hold additional meetings at the call of the President or at the call of a majority of the Board of Directors, should the President fail to act.

Written notice of Board Meetings shall be communicated by the Secretary to each Board member at least fifteen days in advance of each meeting. This provision can be waived only by the consent of the majority of the Board members by signing a waiver of such notice prior to the meeting. A quorum must be present for the Board of Directors to conduct Association business. A majority of the members of the Board shall constitute a quorum.

The Board of Directors shall be permitted to conduct any and all business, in a manner authorized by law, that may arise between scheduled meetings, and to vote by like manner on such matters as are presented to it for a vote. In such cases, the majority vote of all Directors on record at such time shall be required to approve such measure. A period of thirty (30) days shall be afforded each Director to return his or her vote to the Secretary. The action of the Board between Annual Meetings of the Membership shall be final and binding unless and until modified by the general membership at the Annual Meeting of the Membership.

Section 2. Responsibilities of the Board of Directors

The Board of Directors shall be responsible to

1. Establish the polices of the Association;
2. Establish dues and assessments
3. Fix the amount of bond required of the Treasure, if any;
4. Fix the compensation, if any, the Association offers;
5. Approve new membership applications;
6. Hear and determine appeals from grievance decisions made by the Executive Committee;
7. Admonish, suspend or expel any member for due cause;
8. Remove any officer or committee member for cause;
9. Meet as a Committee of The Whole once each year prior to the Annual Meeting of the Membership for the purpose of nominating officers and directors for the ensuing year;
10. Fill any officer or director vacancies, should these occur between annual Meetings of the Membership, by a majority vote of the Board of Directors;
11. Conduct such other business that shall be necessary and proper.

Section 3. Indemnification and Insurance

Every Directors, Officer or employee of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonable incurred by or imposed upon him or her in connection with any proceedings to which

he or she may be made a party, or in which he or she may become involved, by reason of his or her being or having been a Director, Officer, or employee of the Association at the time such expenses were incurred. This provision shall apply except in such instance wherein the Director, Officer, or employee is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties. In the event of a settlement, this indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The forgoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, Officer or employee may be entitled.

The Association shall maintain a policy of general business liability insurance sufficient to insure the Association for reasonable risks associated with its operation.

ARTICLE VIII- OFFICERS

Section 1. Number

The Officers of this Association shall be President, President-Elect, Vice President, Secretary/Treasurer, and the Immediate Past-President. The officers shall constitute an Executive Committee of the Association which will advise and aid the Board of Directors on all matters concerning the interest and management of the business of the Association.

Section 2. Method of Election

The President, President-Elect, Vice President and Secretary/Treasurer of the Association shall be elected during the annual Meeting of the Membership. The Board of Directors, acting as a Committee of the Whole shall nominate the officers herein provided for at the Board of Director's meeting prior to the Annual Meeting of the Membership. Nominations may also be made from the floor. During the annual meeting of the Membership, voting for Officers so nominated shall be conducted by secret ballots, provided however that such secret ballot shall be waived where any given nominee is not opposed. All officers shall take office immediately upon their election and shall serve in office until the next annual Meeting of the Membership and until their successors are elected. The Secretary shall provide the Chief Executive Officer of ACA International with at least fourteen (14) days prior notice of an election or appointment of Unit Officers and with the results of such election within thirty (30) days thereof. The term of service for a Unit Officer shall be one year

Any qualified member, officer or management level employee of any member in good standing of the Unit whose business or any portion thereof is related to the collection of third party debt, shall be eligible to hold position of Officer in this Association.

In all elections conducted by secret ballot, the Secretary/Treasurer shall determine the eligibility of each member's designee to cast ballots. In the event his or her decision is contested, the final authority shall rest with the Executive Committee whose majority decision of those voting on the Committee shall prevail.

Section 3. Duties of Officers

(a) President

- (1) The President shall preside at the meetings of the Association, Board of Directors, and Executive Committee, and with the exception of the Executive Committee, may be a member ex officio, without right to vote, of all committees.
- (2) The President shall also, at the Annual Meeting of the Membership and such other times as the President may deem appropriate, communicate to the membership or to the Board of Directors, information and recommendations to promote the prosperity, welfare and usefulness of the Association. The President shall perform such other duties incidental to the office of the President.
- (3) The President may sign all official documents and countersign all checks drawn on Association funds.

(b) **President-Elect.** The President-Elect shall advise with, and assist the President, and perform all and singular duties of the President when the latter is absent or in any manner unable to serve.

(c) **Vice President.** The Vice President shall advise with, and assist the President and President-Elect, and perform all the singular duties of the President when both the President and the President-Elect are absent, or in any manner unable to serve.

(d) Secretary/Treasurer

- (1) The Secretary/Treasurer shall have general oversight of the bookkeeping and accounting procedures of the Association.
- (2) The Secretary/Treasurer shall receive periodic reports and assure accurate recordkeeping of all expenditures, may countersign checks, shall make interim reports to the President whenever requested and shall make an annual and/or periodic report to the Board of Directors.
- (3) Keep the records of the Association.
- (4) Have custody of and be responsible for all funds and securities of the Association and deposit all such funds of the Association in accordance with the resolution of the Board of Directors.
- (5) Set up and maintain the books of the Association in such a manner that the books will show at all times all collected and disbursed funds, appropriately categorized to indicated the reason collected or disbursed. The books shall also accurately reflect at all times the balance in the Treasury.
- (6) Prepare and file the required tax returns for the Internal Revenue Service and Arizona Department of Revenue, as appropriate.
- (7) Be responsible for all notices sent to Unit Members in accord with the Association Bylaws or as directed by the Board of Directors.
- (8)

(e) **Immediate Past-President.** The Immediate Past-President shall advise and assist elected officers in carrying out the business of the Association.

The funds, books and vouchers shall at all times be under the supervision of the Executive Committee and subject to its inspection and control.

Section 4. Vacancies

- (a) Should the office of President become vacant for any reason, the President-Elect elected at the last preceding Annual Meeting of the Membership shall immediately become President, and shall serve as such until a successor is elected and qualified.
- (b) Should the office of President-Elect become vacant for any reason, the Vice President elected at the last preceding Annual Meeting of the Membership shall immediately become President-Elect, and shall serve as such until a successor is elected and qualified.
- (c) Should the office of Vice-President become vacant for any reason, the Secretary/Treasurer elected at the last preceding Annual Meeting of the Membership shall immediately become Vice President, and shall serve as such until a successor is elected and qualified.
- (d) Should the office of Secretary/Treasurer become vacant for any reason, the Board of Directors of the Association shall, by majority vote, elect a member to the vacant position. The Secretary/Treasurer so elected by the Board of Directors shall serve until the next Annual Meeting of the Membership, at which time a successor is elected and qualified.

ARTICLE IX – UNIT DIRECTORS

Section 1. Number

The Directors of this Association shall number no less than 3 members.

Section 2. Method of Election

The Unit Directors shall be elected during the annual meeting of the Membership. The Board of Directors, acting as a Committee of the Whole, shall nominate the Directors herein provided for at the Board of Directors meeting prior to the Annual Meeting of the Membership. Nominations may also be made from the floor. During the annual Meeting of the Membership, voting for Directors so nominated shall be conducted by secret ballot, provided however that such secret ballot shall be waived where any given nominee is not opposed. The Secretary shall provide the Chief Executive Officer of ACA International within at least fourteen (14) days prior notice of an election or appointment of Unit Directors and with the results of such election within thirty (30) days thereof. The term of service for a Unit Director shall be one year

Any qualified member, officer or management level employee of any member in good standing of the Unit whose business or any portion thereof is related to the collection of third party debt, shall be eligible to hold the position of Unit Director in this Association.

In all elections conducted by secret ballot, the Secretary/Treasurer shall determine the eligibility of each member's designee to cast ballots. In the event his or her decision is contested, the final authority shall rest with the Executive Committee whose majority decision of those voting on the Committee shall prevail.

Section 3. Duties of Unit Directors

The Unit Directors shall serve as members of the Board of Directors of this Association and shall have the right to make motions and vote at any duly organized annual or special meeting of the Board of Directors.

Section 4. Vacancies

Should a vacancy occur for any reason in any one of the positions of Unit Director, the Board of Directors of the Association shall, by majority vote, elect a qualified member to the vacant position. The Unit Director so elected by the Board of Directors shall serve until the next annual Meeting of the Membership, at which time a successor may be elected and qualified.

ARTICLE X – NATIONAL DIRECTORS

Section 1. Number

The number of National Directors shall be dictated by the bylaws of ACA International.

Section 2. Method of Election

The National Directors shall be elected during the annual meeting of the Membership. The Board of Directors, acting as a Committee of the Whole, shall nominate the Directors herein provided for at the Board of Director's meeting prior to the Annual Meeting of the Membership. Nominations may also be made from the floor. During the annual Meeting of the Membership, voting for the National Director candidates so nominated shall be conducted by secret ballot, provided however that such secret ballot shall be waived where any given nominee is not opposed. The Secretary shall provide the Chief executive officer of ACA International with at least fourteen days prior notice of an election or appointment of National Directors and with the results of such election within thirty (30) days thereof. The term of service for a National Director shall be two (2) years.

Any qualified member, officer or management level employee of any member in good standing of the Unit whose business or any portion thereof is related to the collection of third party debt, shall be eligible to hold office in this Association. Furthermore, the nominations for the National Director positions shall be limited to those persons who

have been members of the Association for at least twelve months and have served at least one full term as either a Unit Officer or Unit Director.

In all elections conducted by secret ballot, the Secretary/Treasurer shall determine the eligibility of each member's designee to cast ballots. In the event his or her decision is contested, the final authority shall rest with the Executive Committee whose majority decision of those voting on the Committee shall prevail.

Section 4. Vacancies

Should a vacancy occur for any reason in the position of National Director, the Board of Directors of the Association shall, by majority vote, elect a qualified member to the vacant position. The National Director so elected by the Board of Directors shall serve until the next annual Meeting of the Membership, at which time a successor may be elected and qualified.

ARTICLE XI- COMMITTEES

Immediately after being elected to office, the President shall appoint the following committees to serve for one year: Membership, Grievance, Convention, Publications, Education, Audit and Legislative. The President may appoint such other committees as he or she may deem necessary and appropriate.

ARTICLE XII – AMMENDMENTS

These Bylaws may be amended, repealed, or altered in whole or in part by a majority vote of the Unit Membership at any duly organized Meeting of the Membership, or by a majority vote by the Unit Membership taken in any such manner permitted by law as determined by a majority vote of the Board of Directors. Any such proposed change in the Bylaws shall first be approved by the majority vote of the Board of Directors.

Notice of any such proposed changes in these Bylaws shall be provided to each member of this Association by the Secretary/Treasurer, in any manner authorized by law, at least thirty (30) days before any Meeting of the Membership at which such change shall be considered.