

Standard Operating Procedures
of
ACA International
The Association of Credit and Collection Professionals
as amended July 2006

I. Purpose, Interpretation and Effect of Standard Operating Procedures

This section effectuates the Association Bylaws, ARTICLE II (2004).

1-1.01 Purpose This document shall be known as the “Standard Operating Procedures,” or “SOPs” of this Association. These Standard Operating Procedures shall supplement and effectuate the Bylaws and Articles of Incorporation of this Association. These SOPs shall not supercede any provision of the Bylaws or Articles of Incorporation of this Association.

1-1.02 Interpretation An interpretation of these SOPs which does not conflict with any provision of the Bylaws or Articles of Incorporation of this Association shall be preferred. Interpretation of these SOPs will be under the auspices of the Executive Committee with the advice of the Association’s Counsel.

1-1.03 Binding Effect Upon approval by the Board of Directors, these SOPs shall apply to and bind all members of this Association, its staff, officers, and directors. These SOPs shall supercede any and all earlier versions of the SOPs. Current versions of the Bylaws, Articles of Incorporation, Standard Operating Procedures, and the Policies and Procedures of this Association and the documents attached thereto, shall constitute the entire body of governing policy of this Association.

II. MEMBERSHIP

This section effectuates the Association Bylaws ARTICLE III (2004).

A. Qualifications for Membership

2A-1.01 Qualifications Application for membership in this Association may be made by an individual or entity that is substantially engaged in the credit or collection industry, and

- (a) Is a member of a Unit of this Association, unless Unit membership is not available to that applicant; or,
- (b) Is eligible to apply for membership in a Division; or,
- (c) Meets the qualifications for Retired Member status;
- (d) Meets the qualifications for Credit and Collection Advocate Member status; or,
- (e) Meets the qualifications for Coalition Member status.

2A-1.02 Determining Membership Eligibility The Association shall make the determination of whether an individual or entity is substantially engaged in the collection industry or in the alternative, whether such individual or entity is eligible for Division membership or Retired Member status. A dispute or objection regarding membership eligibility shall be referred to the Membership Board of Review for final determination.

2A-1.03 Unit and Division Membership Notwithstanding participation in more than one membership category, a member shall be entitled to only one vote at the annual meeting of the membership or any special meeting of the membership.

B. Application for Membership

2B-1.01 Application An applicant shall certify in writing that the applicant has satisfied all applicable state licensing and regulatory requirements as they relate to applicant's business, satisfies the requirements for membership in the category for which the application is made and fulfills the requirements of the Association's application.

2B-1.02 Application Processing An application shall be submitted to this Association for processing and shall be accompanied by remittance of such dues and fees as may be required. After the application is processed by this Association, it shall be submitted to the appropriate Unit officer for processing according to Unit bylaws.

2B-1.03 Objection to Application for Membership In the event of an objection to an application for membership, such objection shall be made in writing to the Chief Executive Officer of this Association who shall refer the matter to the Membership Board of Review. The Membership Board of Review shall make the final determination on behalf of the Association and make recommendations to the Unit, according to the Executive Committee's Membership Review Procedures.

2B-1.04 Appeal In the event of rejection of an applicant by the Unit, the applicant may appeal to the Membership Board of Review by filing an appeal with the Chief Executive Officer of this Association. The Membership Board of Review shall make the final determination on behalf of the Association and make recommendations to the Unit, according to the Executive Committee's Membership Review Procedures.

C. Application for Multi-Office Membership

2C-1.01 Application Multi-office Membership application may be made by an applicant with two or more offices, as provided in the Bylaws of this Association. Application by an entity shall be made through the Unit where the applicant designates its domicile ("main" office) is located. In the event that the applicant does not designate a domicile for its primary office, this Association shall designate the office with the greatest number of employees as the applicant's domicile.

2C-1.02 Branch Offices An additional branch office application by a Multi-Office member shall automatically be approved for membership in this Association and in the Unit in which the additional branch office is located.

2C-1.03 Multi-Office Representation on Board of Directors A member who owns and maintains thirteen (13) or more branch offices, all of which are members in good standing of this Association, shall be entitled to be represented by one Director who shall be seated on the Board of Directors and have one vote provided that the Director otherwise meets the qualifications for a Director of this Association.

D. Change in Membership Status

2D-1.01 *Sole proprietorship and unincorporated entity, not a partnership* Where a membership is a sole proprietorship, a change of ownership shall be deemed to have occurred when the control, management or assets of the proprietorship become vested in one or more persons other than the individual to whom they previously belonged or by whom they have been previously controlled. A change of ownership for this reason shall not automatically terminate the membership. The owner(s) shall provide the Association with written notice within sixty (60) days of the effective date of such change of ownership. The owner(s) shall complete and return the change of ownership form to ACA within thirty (30) days of receipt. Failure to comply with these requirements shall automatically terminate the membership.

2D-1.02 *Partnership* Where a membership is a partnership, a change of ownership shall be deemed to have occurred when the control, management or assets of the partnership shall be vested in one or more persons other than the original partners. A change of ownership for this reason shall not automatically terminate the membership. The owners shall provide the Association with written notice within sixty (60) days of the effective date of such change of ownership. The owners shall complete and return the ACA change of ownership form within thirty (30) days of receipt. Failure to comply with these requirements shall automatically terminate the membership. The acquisition by one partner of the share of ownership previously owned by one or more of the original partners shall not be construed as a change of ownership, except in those cases where the partner who acquires the control, management or assets of the partnership was, in fact, a silent or inactive member of the partnership which has held membership in this Association.

2D-1.03 *Corporation* In the case of a corporation, a change of ownership shall be deemed to have occurred when there is a transfer of fifty-one (51) percent or more of the shares of that corporation. A change of ownership for this reason shall not automatically terminate the membership. The owners shall provide the Association with written notice within sixty (60) days of the effective date of such change of ownership. The owners shall complete and return the ACA change of ownership form within thirty (30) days of receipt. Failure to comply with these requirements shall automatically terminate the membership.

2D-1.04 *Spouse and Children* Transfer or sale of a business from one spouse to the other or to one or more of their children shall be considered as a change of ownership, except as provided in the Bylaws ARTICLE III, § 7 (2004). A change of ownership for this reason shall not automatically terminate the membership. The owners shall provide the Association with written notice within sixty (60) days of the effective date of such change of ownership. The owners shall complete and return the ACA change of ownership form within thirty (30) days of receipt. Failure to comply with these requirements shall automatically terminate the membership.

2D-1.05 *Estate or Inheritance* Acquisition of a business by a spouse or child through estate administration or inheritance will qualify the surviving spouse or children for membership in this Association. A change of ownership for this reason shall not automatically terminate the membership. The owners shall provide the Association with written notice within sixty (60) days of the effective date of such change of ownership. The owners shall complete and return the ACA change of ownership form within thirty (30) days of receipt. Failure to comply with these requirements shall automatically terminate the membership.

2D-1.06 Non-Stock Corporations In the case of a corporation or other business entity, other than a sole proprietorship, in which the ownership interest is not based on stock ownership, a change of ownership shall be treated in the manner set forth for a Partnership under 2D-1.02 of these SOPs.

2D-1.07 Effect on Membership Dues The change of ownership form referenced in Section 2D of these SOPs shall be provided by the Association. ACA may assess a nominal fee for processing the change of ownership. Annual membership dues paid prior to the change of ownership shall be applied to the member's record as if no change of ownership had occurred. Failure to comply with the change of ownership requirements shall automatically terminate the membership. There shall be no refund of annual dues, fees or payments of any kind upon the termination of membership for this reason.

E. Rights and Privileges of Membership

2E-1.01 Description A member of this Association in good standing shall be entitled to:

- (a) One vote at a Meeting of the Membership, providing the First Person/Delegate Member registration fee for the Annual Convention has been paid;
- (b) Receive the Association's Official Publication and the Roster;
- (c) Register for Association meetings at member rates;
- (d) Use the Association's name and trade logos in accordance with the Policies and Procedures of this Association. An abbreviated version of the Association's name may be used where appropriate and shall have the same meaning as the use of the entire formal name;
- (e) Purchase insurance, bonds and products and services, subject to availability;
- (f) Access the Association's general member-only Web site, excluding access to restricted Division or Special Program pages; and,
- (g) Such other benefits as the Board of Directors may from time-to-time determine.

F. Obligations of Membership

2F-1.01 Description Upon becoming a Member of this Association, and as a condition of membership renewal, each Member agrees to:

- (a) Certify that the Member meets the eligibility requirements of the membership category for which the application or renewal is then made;
- (b) Pay established dues;
- (c) Pay assessments, if any;
- (d) Pay all amounts it owes to the Association in a timely manner;
- (e) Maintain compliance with all applicable state licensing and regulatory requirements, and all other applicable laws; and,
- (f) Be bound in all matters of its professional conduct by the Association Bylaws, Articles of Incorporation, Standard Operating Procedures, Policies and Procedures, Code of Operations, Code of Ethics and Professional Responsibility and Procedural Rules for the Ethics and Professional Responsibility Committee.

2F-1.02 Ethics and Professional Responsibility Members agree that the Association Ethics and Professional Responsibility Committee shall be responsible for accepting, rejecting and investigating complaints against Association members according to its Procedural Rules. Such investigation may result in a complaint being dismissed or one or more sanctions being imposed upon a member in accordance with the Procedural Rules.

G. Cessation of Membership

2G-1.01 Resignation Any member may resign by written notice to the Chief Executive Officer.

2G-1.02 Termination Any member that becomes more than sixty (60) days past due in its financial obligations with the Association, for other than dues or assessments, may be admonished, suspended or expelled immediately by the Chief Executive Officer.

2G-1.03 Effect of Termination If any member is terminated for any reason from this Association, all member benefits, products or services which that member has purchased or received due to their former member status shall thereafter become unavailable for repurchase. Policies of insurance and bonds purchased by the former member through this Association shall expire or be cancelled according to the policy or bond terms and shall not be available for re-purchase by the non-member.

2G-1.04 Dues and Assessments Not Refundable Unless otherwise provided, no refunds of dues or assessments shall be made to any member for any reason upon cessation of membership or change of membership status.

H. Reinstatement of Membership

2H-1.01 Reinstatement After Termination Due to Non-Payment Any former member whose membership has been terminated for non-payment of dues, assessments or other financial obligations owed to this Association, may be reinstated to its previous class of membership, provided:

- (a) The former member applies for reinstatement within thirty (30) days from the date of termination;
- (b) It otherwise remains qualified for membership in the Association;
- (c) It pays a reinstatement fee as established by the Executive Committee; and,
- (d) Its entire financial obligation to the Association has been paid in full, up to and including the date of the application for reinstatement.

2H-1.02 Re-application for Membership Any former member wishing to renew membership in this Association after the thirty (30) day reinstatement period has expired, must reapply for membership in the same manner as a new member would apply.

2H-1.03 Re-application After Termination Pursuant Due to Ethics Committee Action Absent any other directives from the Ethics Committee or the Executive Committee, if a member is expelled, re-application for membership in the Association may be made no earlier than twelve (12) months after the date of the final decision of the Ethics Committee.

2H-1.04 *Limits on Re-application* Any application received before the expiration of the period set forth in the sanction or before twelve (12) months after the date of the final decision of the Ethics Committee, if a shorter time is not specified by the sanction, shall be returned to the applicant. Any such re-application for membership shall be processed through the regular channels and be required to meet all regular requirements for membership.

III. ORGANIZATION AND STRUCTURE

3-1.01 *Purpose* The purpose of Units shall be to further and promote the general welfare of the credit and collection industry and to encourage the adoption of legislation favoring the rights of those engaged in the collection and credit industry.

A.U. S. Units

1. Qualifications of a U.S. Unit

3A1-1.01 *Application* Any U.S. entity which is qualified in accordance with the Bylaws and Standard Operating Procedures of this Association, may apply for Unit status within this Association upon petition by a majority of its members, provided no Unit already exists in such State or includes such State.

3A1-1.02 *Compatibility of Governing Documents* The articles of incorporation and the bylaws of an applicant seeking Unit status, must be compatible with the Association's Bylaws and Articles of Incorporation. The Board of Directors, with advice of the Association Counsel, after determining that the bylaws or governing documents and articles of incorporation of the applicant are compatible with the Bylaws and Articles of Incorporation of this Association, may accept or reject the application.

2. Application for U.S. Unit Status

3A2-1.01 *Requirements* An application for U.S. Unit status shall be in writing, signed by an authorized representative of the applicant, pursuant to a majority vote of the applicant's members and sent to the Chief Executive Officer of this Association. The application shall be accompanied by a copy of the applicant's bylaws or governing documents, and if a corporation, a copy of the articles of incorporation. The application shall also be accompanied by a statement signed by an authorized representative of the applicant, pursuant to a majority vote of the applicant's members, that if U.S. Unit status is granted the applicant will abide by the Bylaws, Articles of Incorporation, Standard Operating Procedures, Code of Ethics, Code of Operations, Procedural Rules of the Ethics and Professional Responsibility Committee and Policies and Procedures of this Association.

3A2-1.02 *Duty to Review* The Board of Directors shall accept or reject an application for U.S. Unit Status within ninety (90) days of the Chief Executive Officer's receipt of the application. The Board of Directors, through the Chief Executive Officer, shall notify the applicant's Unit president, or authorized representative, of the acceptance or rejection of the application within thirty (30) days. Unit status, if granted, shall begin on the twentieth (20th) day of the month in which such status is granted.

3A2-1.03 *Contingent Membership* If U.S. Unit status is granted, each current and future member of the Unit shall automatically become a member of this Association, provided that such member

pays dues in accordance with the fee schedule and all other membership obligations of this Association and the Unit to which they are a member. Continued membership in the Unit and in this Association shall henceforth be contingent one upon the other.

3A2-1.04 *Binding Effect* In the event that the application is accepted, every member and all future members of the applicant's Unit shall be bound by the Association Bylaws, Articles of Incorporation, Standard Operating Procedures, Polices and Procedures, Code of Operations, Code of Ethics and Professional Responsibility and Procedural Rules for the Ethics and Professional Responsibility Committee.

3. Structure and Governance

3A3-1.01 *Mandatory Unit Requirements* It is the Policy of this Association that U.S. Units shall:

- (a) Be separate legal entities, incorporated under the laws of a state;
- (b) Create their own governing structure which does not conflict with the Articles of Incorporation, Bylaws, Standard Operating Procedures or Policies and Procedures of this Association;
- (c) Not be structured or governed in a manner which creates an unreasonable restraint of trade. In accordance thereof, no Unit may condition membership on a waiting period, the results of any credit or financial report of any individual business owner(s) of any applicant, or a requirement that notice of application be published;
- (d) Not condition membership in the Unit upon membership in any other unit;
- (e) Submit every application for membership in such Unit to the Chief Executive Officer of this Association within forty-five (45) days of the Unit's receipt of the membership application;
- (f) Provide to the Chief Executive Officer of this Association 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 thereafter;
- (g) Select to serve on the Board of Directors of this Association, only individuals whose business, or any portion thereof, is related to the collection of third party debt; and,
- (h) Hold an annual meeting, establish officers, record minutes of meetings, set quorum requirements, and set forth a policy by which Unit meetings shall be conducted.

3A3-1.02 *Optional Unit Requirements* Though not required, U.S. Units are encouraged to do the following:

- (a) Maintain a policy of "Director and Officer Liability and Corporate Reimbursement Insurance." The purpose of such insurance shall be to fund indemnification of individual directors, officers, employees or members engaged in authorized Unit business;
- (b) Maintain a policy of general business liability insurance sufficient to insure the Unit corporation for reasonable risks associated with the Unit's operation; and,
- (c) Have as their fiscal year June 1 through May 31.

3A3-1.03 *Unit Motions To Association Governing Bodies* A Unit may bring a formal motion at any meeting of the Board of Directors or at any Meeting of the Membership subject to the following conditions. Unit Directors may make such motions on behalf of the Unit which they represent at a meeting of the Board of Directors and member(s) may make such motions on

behalf of the Unit to which they are a member at a Meeting of the Membership provided that any such formal motion which is purported by a Director or member to be on behalf of a Unit, must have been approved in accordance with the governing documents of that Unit, at a duly held meeting at which a quorum was present.

3A3-1.04 *Authority to Represent Unit* At least ten (10) days prior to any meeting at which a formal motion of a Unit will be considered, the Unit or its representative must provide the Corporate Secretary of this Association with the text of the formal motion, the minutes of the Unit meeting at which the formal motion was passed and documentation that the motion was passed in accordance with the governing documents of the Unit. If so provided, the Corporate Secretary shall notify the Unit or its representative that all required documentation has been provided so that the Unit's motion may be considered by the governing body.

3A3-1.05 *Review of Unit Motions* If the necessary documentation to support the consideration of the Unit's motion at a meeting of the Board of Directors or Meeting of the Membership is insufficient or is not timely received, the Corporate Secretary shall notify the Unit or its representative that the documentation is insufficient and detail the reasons for the deficiency. The Corporate Secretary shall assist the Unit in correcting any deficiency in the documentation to advance the consideration of the Unit's motion within the above stated time period. However, nothing in this provision shall supercede or alter the procedural requirements that must be followed to amend the Bylaws of this Association or the Standard Operating Procedures of this Association.

3A3-1.06 *Change of Unit Governance* Before modifying its bylaws, governing documents or articles of incorporation, a Unit shall forward a true and correct copy of the proposed modification to the Chief Executive Officer of this Association. The Chief Executive Officer, or his designee, shall advise the Unit if the proposed modification would conflict with the Articles of Incorporation, Bylaws, Standard Operating Procedures, Code of Ethics, Code of Operations, Procedural Rules of the Ethics and Professional Responsibility Committee or Policies and Procedures of this Association. The Chief Executive Officer, with the advice of the Association Counsel, shall be afforded a period of sixty (60) days within which to determine and notify the unit whether such proposed modification conflicts with the Articles of Incorporation, Bylaws, Standard Operating Procedures, Code of Ethics, Code of Operations, Procedural Rules of the Ethics and Professional Responsibility Committee, or Policies and Procedures of this Association.

4. Change in U.S. Unit Status

3A4-1.01 *Resignation of Unit* An entity holding U.S. Unit status in this Association may not withdraw from Unit status, except upon thirty (30) days' prior notice given by certified mail to the President and Chief Executive Officer of this Association.

3A4-1.02 *Division of Multi-State Unit* All members of one state in a Multi-State Unit may withdraw from that Multi-State Unit and apply for status as a separate U.S. Unit. Providing that all members domiciled in the proposed new U.S. Unit withdraw from the existing Multi-State Unit and U.S. Unit status of the new, separate U.S. Unit is granted, the Multi-State Unit will be deemed to no longer exist in the state where the newly created U.S. Unit is located.

3A4-1.03 Consolidation of U. S. Units- Multi-State Unit Any U. S. Unit of this Association may join with any other U.S. Unit(s) of the Association by mutual consent of the U.S. Units involved, arrived at in accordance with the bylaws of the particular Units and approval by this Association's Board of Directors. U.S. Units seeking consolidated, Multi-State U.S. Unit status may apply for Multi-State U.S. Unit status in accordance with these Standard Operating Procedures. Such a consolidated Multi-State U.S. Unit, when approved by this Association, shall be deemed a Multi-State U.S. Unit with the rights, privileges and obligations of other approved U.S. Units. The newly formed Multi- State U.S. Unit shall have the rights and privileges of a U.S. Unit, representation on the Board of Directors as provided for U.S. Units in the Association Bylaws and operate as a single U.S. Unit.

3A4-1.04 Conditional Status U.S. Units seeking Multi-State U.S. Unit status may apply for conditional Multi-State U.S. Unit status with this Association to allow time for each Unit to prepare its corporate structure and corporate documents and to prepare to fulfill the other requirements of Multi-State U.S. Unit status in this Association. Such application shall be made to the Executive Committee whose conditional approval shall be contingent on final approval by the Board of Directors at the next meeting of the Board of Directors.

3A4-1.05 Effective Date Approval of Multi-State U.S. Unit status by the Executive Committee shall provide all the rights, privileges and obligations to the Multi-State U.S. Unit from the time of the Executive Committee approval until approved or denied by the Board of Directors.

3A4-1.06 Name of Multi-State U.S. Unit The name of any such Multi-State U.S. Unit, the names of the former Units composing it and the names and addresses of its officers and directors, shall be provided within ninety (90) days after such formation to the Chief Executive Officer of this Association.

5. Cessation in U.S. Unit Status

3A5-1.01 Termination of U.S. Unit This Association may terminate the status of any U.S. Unit by a two-thirds (2/3) vote of the Board of Directors, provided ninety (90) days advance notice of the proposed termination has been given by certified mail to the president or authorized representative of the Unit.

B. Non-U.S. Unit- International Unit

1. A Single Unit

3B1-1.01 Description There shall be one Unit representing non-U.S. members, called the International Unit. This does not prohibit the Unit from creating organizations under its governance, if such organizations exist to further the purpose of the Unit and its members and do not conflict with the Bylaws or Articles of Incorporation of this Association. Any such organization shall be formed as a chapter of the Unit and shall have no additional rights, benefits, duties or obligations through its affiliation with the International Unit nor shall it be entitled to direct representation on the Association Board of Directors.

3B1-1.02 Territory The International Unit shall be divided into four geographic regions. These shall be the continents of: (1) North America, South America and Antarctica, excluding the

United States or any State thereof as defined herein; (2) Europe and Africa; (3) Asia; (4) Australia and Oceania. The Caribbean and Central America shall be deemed part of North America. The Middle East shall be deemed part of Asia. The continent of Australia/Oceania includes all of the Australian large island groups of New Zealand, Papua New Guinea, Fiji, Micronesia, Melanesia and Polynesia and the islands of the South Pacific Ocean.

2. Application for Membership in International Unit

3B2-1.01 Requirements Application for membership within the International Unit shall be made on an application form provided by this Association for that purpose. The applicant shall be bound by the Association Bylaws, Articles of Incorporation, Standard Operating Procedures, Policies and Procedures, Code of Operations, Code of Ethics and Professional Responsibility and Procedural Rules for the Ethics and Professional Responsibility Committee and shall pay dues in accordance with the prescribed fee schedule of this Association. The applicant shall meet such other requirements as set forth by the International Unit. The application shall be submitted to this Association for processing according to Association and International Unit governing documents. Dues and all other payments to the Association shall be paid in U.S. dollars.

3B2-1.02 Objection to Application In the event of an objection to an application for membership, the objection shall be made in writing to the Chief Executive Officer of this Association who shall refer the matter to the Membership Board of Review. The Membership Board of Review shall make the final determination on behalf of the Association and the International Unit according to its procedures.

3B2-1.03 Contingent Membership Each current and future member of the International Unit shall automatically become a member of this Association, provided that such member pays dues in accordance with the fee schedule and all other membership obligations of this Association and the International Unit. Continued membership in the International Unit and in this Association shall henceforth be contingent one upon the other.

3. Structure and Governance

3B3-1.01 Mandatory Unit Requirements It is the Policy of this Association that the International Unit shall:

- (a) Create a governing structure which does not conflict with the Articles of Incorporation, Bylaws, Standard Operating Procedures, Code of Ethics, as applicable, Code of Operations, Procedural Rules of the Ethics and Professional Responsibility Committee or Policies and Procedures of this Association;
- (b) Not be structured or governed in a manner which creates an unreasonable restraint of trade. In accordance thereof, it may not condition membership on a waiting period, the results of any credit or finance report of any individual business owner(s) of any applicant, or a requirement that notice of application be published;
- (c) Not condition membership in the International Unit upon membership in any other Unit;
- (d) Hold an annual meeting, establish officers, record minutes of meetings, set quorum requirements and set forth a policy by which International Unit meetings shall be conducted;

- (e) Provide to the Chief Executive Officer of this Association at least fourteen (14) days prior notice of an election or appointment of International Unit Officers and with the results of such election within thirty (30) days thereafter; and,
- (f) Select to serve on the Board of Directors of this Association, only individuals whose business, or any portion thereof, is related to the collection of third party debt.

3B3-1.02 *Fiscal Year* Though not required, the International Unit is encouraged to have as their fiscal year June 1 through May 31.

3B3-1.03 *International Unit Motions To Association Governing Bodies* The International Unit may bring a formal motion at any meeting of the Board of Directors or at any Meeting of the Membership subject to the following conditions. International Unit Directors may make such motions on behalf of the International Unit at a meeting of the Board of Directors and member(s) of the International Unit may make such motions on behalf of the International Unit at a Meeting of the Membership provided that any such formal motion which is purported by a Director or member to be on behalf of the International Unit, must have been approved in accordance with the governing documents of the International Unit.

3B3-1.04 *Authority to Represent Unit* At least ten (10) days prior to any meeting at which a formal motion of the International Unit will be considered, the International Unit or its representative must provide the Corporate Secretary of this Association with the text of the formal motion and documentation that the motion was passed in accordance with the governing documents of the International Unit. If so provided, the Corporate Secretary shall notify the International Unit or its representative that all required documentation has been provided so that the International Unit's motion may be considered by the governing body.

3B3-1.05 *Review of Unit Motions* If the necessary documentation to support the consideration of the International Unit's motion at a meeting of the Board of Directors or Meeting of the Membership is insufficient or is not timely received, the Corporate Secretary shall notify the International Unit or its representative that the documentation is insufficient and detail the reasons for the deficiency. The Corporate Secretary shall assist the International Unit in correcting any deficiency in the documentation to advance the consideration of the International Unit's motion within the above stated time period. However, nothing in this provision shall supercede or alter the procedural requirements that must be followed to amend the Bylaws of this Association or the Standard Operating Procedures of this Association.

3B3-1.06 *Modification of Governing Structure* Before modifying its bylaws or governing documents, the International Unit shall forward a true and correct copy of the proposed modification to the Chief Executive Officer of this Association. The Chief Executive Officer, or his designee, shall advise the International Unit if the proposed modification conflicts with Articles of Incorporation, Bylaws, Standard Operating Procedures, Code of Ethics, as applicable, Code of Operations, Procedural Rules of the Ethics and Professional Responsibility Committee or Policies and Procedures of this Association. The Chief Executive Officer, with the advice of the Association Counsel, shall be afforded a period of sixty (60) days within which to determine and notify the International Unit whether such proposed modification conflicts with the Bylaws, Articles of Incorporation, Standard Operating Procedures, Code of Ethics, as applicable, Code of

Operations, Procedural Rules of the Ethics and Professional Responsibility Committee or Policies and Procedures of this Association.

C. Divisions of Membership

3C-1.01 Purpose of Divisions The purpose of Divisions is to provide individuals or entities, whose business is not primarily third-party debt collection, with membership opportunities in this Association. Division members need not apply for or maintain status in any Unit, but may apply for membership directly through this Association. Membership is not transferable, except pursuant to any membership transfer policy of the Association.

3C-1.02 Division Motions To Association Governing Bodies A Division may bring a formal motion at any meeting of the Board of Directors or at any Meeting of the Membership subject to the following conditions. Division Directors may make such motions on behalf of the Division which they represent at a meeting of the Board of Directors and member(s) may make such motions on behalf of the Division to which they are a member at a Meeting of the Membership provided that any such formal motion which is purported by a Director or member to be on behalf of a Division, must have been approved in accordance with the governing documents of that Division.

3C-1.03 Membership Eligibility For Divisions Except as provided below in this section and in addition to any specific requirements in these SOPs for membership in a Division, a business entity whose business is primarily third-party debt collection must maintain a current membership pursuant to section 2A-1.01(a). Only after such entity becomes such a member of this Association shall the business entity or its employees be eligible for membership in Divisions of the Association. The requirements of this section shall not apply to an attorney who represents a member of the Association or clients of a member of the Association as an attorney of public record in judicial or non-judicial debt collection proceedings.

3C-1.04 Authority to Represent Division At least ten (10) days prior to any meeting at which a formal motion of a Division will be considered, the Division or its representative must provide the Corporate Secretary of this Association with the text of the formal motion and documentation that the motion was passed in accordance with the governing documents of the Division. If so provided, the Corporate Secretary shall notify the Division or its representative that all required documentation has been provided so that the Division's motion may be considered by the governing body.

3C-1.05 Review of Division Motions If the necessary documentation to support the consideration of the Division's motion at a meeting of the Board of Directors or Meeting of the Membership is insufficient or is not timely received, the Corporate Secretary shall notify the Division or its representative that the documentation is insufficient and detail the reasons for the deficiency. The Corporate Secretary shall assist the Division in correcting any deficiency in the documentation to advance the consideration of the Division's motion within the above stated time period. However, nothing in this provision shall supercede or alter the procedural requirements that must be followed to amend the Bylaws of this Association or the Standard Operating Procedures of this Association.

TYPES OF DIVISIONS

Creditors International

3C1-1.01 *Description* The purpose of Creditors International shall be to enhance the exchange of information and ideas among those substantially engaged in the credit industry, including, but not limited to, credit grantors and retailers. Creditors International may be abbreviated as CI.

3C1-1.02 *Purpose* The purpose of Creditors International shall be to enhance the exchange of information and ideas among those substantially engaged in the credit industry, including, but not limited to, credit grantors and retailers.

3C1-1.03 *Qualifications* An applicant for this Division must be:

- (a) A natural person; and,
- (b) Engaged in the business of providing services substantially related to the credit industry; or,
- (c) A current member of the Association, as provided in the Policies and Procedures of this Association.

3C1-1.04 *Rights and Privileges of Creditors International Members* Each member of this Division shall be entitled to:

- (a) One vote at a Meeting of the Membership, providing the First Person/Delegate Member registration fee for the Annual Convention has been paid;
- (b) Receive the Association's Official Publication and the Roster as available;
- (c) Register for Association meetings at member rates;
- (d) Use the Association's name, the CI Division name and trade logos in accordance with the Policies and Procedures of this Association. An abbreviated version of the Association's name and CI Division name may be used where appropriate and shall have the same meaning as the use of the entire formal name;
- (e) Purchase insurance and bonds, subject to availability;
- (f) Purchase products and services, subject to availability;
- (g) Access the Association's general member-only Web site and the CI Division pages, excluding access to other restricted Division and Special Program pages;
- (h) Apply for and be granted membership by application directly to this Association and need not apply for, be granted nor maintain membership status in any Unit; and,
- (i) Such other benefits as the Board of Directors or Executive Committee may determine from time-to-time.

3C1-1.05 *Payment of Creditors International Dues* Dues shall be payable in full with the initial application and on the first day of June in each fiscal year thereafter. Such dues shall be established by the Executive Committee. New CI Members who join within the fiscal year may pay prorated membership dues as provided in SOP 4A-1.02.

3C1-1.06 *Creditors International Committee* This Division shall have a chartered committee which shall provide suggestions on the long-term policy and goals of Creditors International and provide input to the staff.

2. Affiliate Members

3C2-1.01 Description There shall be a Division of this Association called the Affiliate Member Division.

3C2-1.02 Purpose The purpose of the Affiliate Member Division shall be to enhance the exchange of information and ideas among those who supply goods and services to other members of this Association.

3C2-1.03 Qualifications An applicant for this Division must be:

- (a) An entity; and,
- (b) A supplier of goods or services to the credit and collection industry.

3C2-1.04 Rights and Privileges of Affiliate Membership Each member of this Division shall be entitled to:

- (a) One vote at a Meeting of the Membership, providing the First Person/Delegate Member registration fee for the Annual Convention has been paid;
- (b) Receive the Association's Official Publication and the Roster as available;
- (c) Register for Association meetings at member rates;
- (d) Use the Association's name, the Affiliate Division name and trade logos in accordance with the Policies and Procedures of this Association. An abbreviated version of the Association's name and Affiliate Division name may be used where appropriate and shall have the same meaning as the use of the entire formal name;
- (e) Purchase insurance and bonds, subject to availability;
- (f) Purchase products and services, subject to availability;
- (g) Access the Association's general member-only Web site and the Affiliate Division pages, excluding access to other restricted Division and Special Program pages;
- (h) Apply for and be granted membership by application directly to this Association and need not apply for, be granted nor maintain membership status in any Unit; and,
- (i) Such other benefits as the Board of Directors or Executive Committee may determine from time-to-time.

3C2-1.05 Payment of Affiliate Member Dues Dues shall be payable in full with the initial application and on the first day of June in each fiscal year thereafter. Such dues shall be established by the Executive Committee. New Affiliate Members who join within the fiscal year may pay prorated membership dues as provided in SOP 4A-1.02.

3C2-1.06 Affiliate Member Committee This Division shall have a chartered committee which shall provide suggestions on the long-term policy and goals of the Affiliate Members and provide input to the staff.

3. Members' Attorney Program (MAP)

3C3-1.01 Description There shall be a Division of this Association called the Members' Attorney Program which may be abbreviated as MAP.

3C3-1.02 Purpose The purpose of this Division of membership shall be to enable the defense attorneys, collection attorneys, in-house attorneys, risk management attorneys, and business

attorneys who represent or provide services to Members of the Association and who practice in the collection and credit industry to better represent their Association member-clients through a number of resources designed to assist them in their practices.

3C3-1.03 Qualifications An applicant for this Division must be a licensed attorney, who:

- (a) Represents or provides services to one or more Members of the Association;
- (b) Is sponsored at the time of application and at the time of each annual membership renewal by a current Member of the Association and if such Member is a member of the Members' Attorney Program as provided in section 3C3-1.04;
- (c) Agrees to support the purposes of this Association as provided in the Bylaws;
- (d) Practices in the area of credit or collection law; and
- (e) Does not represent consumers in claims between consumers and third-party debt collectors, credit grantors or those substantially engaged in the asset buying industry as defined herein.

3C3-1.04 MAP Sponsorship A current MAP Member of the Association may sponsor an applicant who:

- (a) Is a partner or associate in the same firm as the sponsoring MAP member or provides defense litigation support as local counsel to the sponsoring MAP member;
- (b) Represents or provides services to one or more Members of the Association;
- (c) Agrees to support the purposes of this Association as provided in the Bylaws;
- (d) Practices in the area of credit or collection law; and
- (e) Does not represent consumers in claims between consumers and third-party debt collectors, credit grantors or those substantially engaged in the asset buying industry as defined herein.

3C3-1.05 Sponsorship

- (a) The sponsorship of an attorney by a current Member of the Association shall be a certification by the sponsor that the attorney represents or provides services to the sponsor, except as provided in section 3C3-1.05(b).
- (b) The sponsorship of an attorney by a current member of the Members' Attorney Program shall be a certification by the sponsor that the attorney meets the qualifications of section 3C3-1.04 (a) and (b).

3C3-1.06 Rights and Privileges of MAP Members Each member of this Division shall be entitled to:

- (a) One vote at a Meeting of the Membership, providing the First Person/Delegate Member registration fee for the Annual Convention has been paid;
- (b) Receive the Association's Official Publication and the Roster as available;
- (c) Register for Association meetings at member rates;
- (d) Use the Association's name, the MAP Division name and trade logos in accordance with the Policies and Procedures of this Association. An abbreviated version of the Association's name and MAP Division name may be used where appropriate and shall have the same meaning as the use of the entire formal name;
- (e) Purchase insurance and bonds for the MAP member, subject to availability;
- (f) Purchase products and services for the MAP member, subject to availability;

- (g) Access to the Association's general member-only Web site and the MAP Division pages, excluding access to other restricted Division and Special Program pages;
- (h) Apply for and be granted membership to the MAP Division by application directly to this Association and need not apply for, be granted nor maintain membership status in any Unit; and,
- (i) Such other benefits as the Board of Directors or Executive Committee may determine from time-to-time.

3C3-1.07 *Payment of MAP Dues* Dues shall be payable in full with the initial application and on the first day of January in each fiscal year thereafter. Such dues shall be established by the Executive Committee. New MAP Members who join within the fiscal year may pay prorated membership dues as provided in SOP 4A-1.02.

3C3-1.08 *MAP Committee* This Division shall have a chartered committee which shall provide suggestions on the long-term policy and goals of the MAP Members and provide input to the staff.

4. Asset Buyers Division

3C4-1.01 *Description* The purpose of the Asset Buyers Division of ACA International shall be to enhance the exchange of information and ideas among those substantially engaged in the buying or selling of accounts receivable, the financing of accounts receivable transactions, the financial analysis or valuation of accounts receivable or advocacy on behalf of the asset buying and selling industry. The Asset Buyers Division of ACA International may be abbreviated as ABD.

3C4-1.02 *Purpose* The purpose of the Asset Buyers Division shall be to enhance the exchange of information and ideas among those substantially engaged in the sale or purchase of accounts receivable, the financing of accounts receivable transactions, the financial analysis or valuation of accounts receivable or advocacy on behalf of the asset buying and selling industry and to support the creation of a code of conduct, ethics and operations under the auspices of ACA International's Ethics and Professional Responsibility Committee.

3C4-1.03 *Qualifications* An applicant for this Division must be:

- (a) An entity substantially engaged in the asset buying industry; or,
- (b) A current member of the Association, as provided in the Policies and Procedures of this Association.

In addition to the qualifications listed above, entities or individuals substantially engaged in the collection industry as defined herein must first comply with all membership requirements of General Membership as a condition of membership in the Asset Buyers Division.

In addition to the qualifications listed above, attorneys seeking membership in the Asset Buyers Division must certify they do not represent consumers in claims against third-party debt collectors, credit grantors or those substantially engaged in the asset buying industry as defined herein.

3C4-1.04 *Rights and Privileges of Asset Buyers Division Members* Each member of this Division shall be entitled to:

- (a) One vote at a Meeting of the Membership, providing the First Person/Delegate Member registration fee for the Annual Convention has been paid;
- (b) Receive the Association's Official Publication and the Roster;
- (c) Register for Association meetings at member rates;
- (d) Use the Association's name, the Asset Buyers Division name and trade logos in accordance with the Policies and Procedures of this Association. An abbreviated version of the Association's name and the Asset Buyers Division name may be used where appropriate and shall have the same meaning as the use of the entire formal name;
- (e) Purchase insurance and bonds, subject to availability;
- (f) Purchase products and services, subject to availability;
- (g) Access the Association's general member-only Web site and the Asset Buyers Division pages, excluding access to other restricted Division and Special Program pages; and,
- (h) Such other benefits as the Board of Directors or Executive Committee may determine from time-to-time.

3C4-1.05 *Payment of Asset Buyers Division Dues* Dues shall be payable in full with the initial application and on the first day of June in each fiscal year thereafter. Such dues shall be established by the Executive Committee. Members who join within the fiscal year may pay prorated membership dues as provided in SOP 4A-1.02.

3C4-1.06 *Asset Buyers Division Committee* This Division shall have a chartered committee which shall provide suggestions on the long-term policy and goals of the Asset Buyers Division and provide input to the staff.

D. Special Members Categories

3D-1.01 *Purpose* The purpose of Special Membership Categories is to retain the experience, talent and skills of people who have either maintained membership in this Association or have been associated with members of this Association and who have the desire to continue its stated purpose. There shall be special categories of individual members who need not be members of any Unit. They shall be called the Retired Members, the Honorary Members, the Credit and Collection Advocate Members (CCAM) and the Coalition Members.

1. Retired Members

3D1-1.01 *Qualifications* Candidates for this category of membership are individuals who are not active in the day-to-day operations of any business related to the collection or credit industry, however they may possess an ownership share of such business.

3D1-1.02 *Application* Any individual who has retired as owner, partner, corporate officer or manager of a member agency in good standing at the time of retirement, any retired member of a Division or any individual who has retired from the staff of this Association, shall be eligible for membership in this special category upon application to this Association and payment of annual dues to be established by the Executive Committee.

3D1-1.03 Retired Membership Committee The Retired Membership Committee shall be composed of members of this Special Membership Category.

3D1-1.04 Rights and Privileges Retired members shall be entitled to receive Association publications and to accept election or appointments to Association committees. They shall not serve as members of the Board of Directors nor serve as officers of this Association. They shall not be entitled to vote at any Meeting of the Membership of this Association. Retired members shall pay dues as established by the Executive Committee.

3D1-1.05 Membership Status Retired members need not apply for, be granted nor maintain membership status in any Unit. Retired members are not a member of any Unit, unless a Unit elects them to be a member.

2. Honorary Members

3D2-1.01 Qualifications Candidates for Honorary membership may not be active in the day-to-day operations of any business related to the collection or credit industry however they may possess an ownership share of such business. Candidates shall have made noteworthy achievement in or contribution to the stated purposes of this Association and the collection and credit industry, as defined in the Policies and Procedures of this Association.

3D2-1.02 Honorary Membership Committee This Committee shall be composed of three members of the Board of Directors. Nominations for Honorary Member status shall be made by this Committee to the Board of Directors.

3D2-1.03 Nominations The Honorary Membership Committee shall nominate candidates who have met the qualifications of this Special membership category. Thirty (30) days prior to the Annual meeting of the Board of Directors, the Honorary Membership Committee shall provide the Board with a list of nominees for Honorary Membership status. The Board of Directors may elect such nominees at its Annual Meeting upon a two-thirds (2/3) vote.

3D2-1.04 Rights and Privileges Honorary members shall be entitled to receive Association publications and to accept election or appointments to Association committees. They shall not serve as members of the Board of Directors nor serve as officers of this Association. They shall not be entitled to vote at any Meeting of the Membership of this Association. Honorary membership shall not pay dues or assessments.

3D2-1.05 Membership Status An Honorary member of this Association need not apply for, be granted nor maintain membership status in any Unit. An Honorary Member is not a member of any Unit, unless a Unit elects them to be a member.

3. Credit and Collection Advocate Members (CCAM)

3D3-1.01 Qualifications Candidates for this category of membership are individual professional lobbyists who are currently retained by, or otherwise under contract to perform lobbying services to the Association, one or more current Association members or to a Unit of the Association.

3D3-1.02 Application Any individual who is retained by or otherwise under contract to perform lobbying services for the Association, or one or more current Association members or a Unit of the Association shall be eligible for membership in this special category upon application to this Association and payment of annual dues to be established by the Executive Committee.

3D3-1.03 Rights and Privileges CCAM members shall be entitled to receive certain Association publications as established by the Executive Committee, purchase products and services (subject to availability) and accept appointments to Association committees. They shall not serve as members of the Board of Directors nor serve as officers of this Association. They shall not be entitled to vote at any Meeting of the Membership of this Association. CCAM members shall pay dues as established by the Executive Committee.

3D3-1.04 Membership Status CCAM members need not apply for, be granted nor maintain membership status in any Unit. CCAM members are not a member of any Unit, unless a Unit elects them to be a member.

4. Coalition Members

3D4-1.01 Qualifications Candidates for this category of membership are individuals, business organizations or associations that are directly or indirectly engaged in providing products or services to the credit and collection industry. Prior or existing membership in ACA International is not a prerequisite to membership in this Special Membership Category.

3D4-1.02 Application Any qualified individual, business organization or association shall become a member of ACA's Coalition Membership category by agreeing to support the purpose of the Association as provided in the Bylaws and Standard Operating Procedures of ACA International, agreeing to comply with the membership qualification requirements, expressly supporting the Mission, Value and Promise of the Association, completing a membership application and paying dues in increments as established by the Executive Committee.

3D4-1.03 Rights and Privileges Coalition members shall be entitled to attend Coalition Member meetings as scheduled from time to time, participate in Coalition teleconferences and be eligible for participation in the ACA Committee of 100 Meeting upon invitation by the President of ACA International and satisfaction of other conditions of participation in the Committee of 100 meeting. Coalition members shall not serve as members of the Board of Directors, serve as officers of this Association or serve as a member of an ACA Committee. They shall not be entitled to vote at any Meeting of the Membership of this Association. Coalition membership shall not subject the Coalition member to disciplinary proceedings pursuant to the ACA Code of Ethics and Code of Operations. Coalition members shall pay dues as established by the Executive Committee.

3D4-1.04 Membership Status Coalition members need not apply for, be granted nor maintain membership status in any Unit. Coalition members are not a member of any Unit, unless a Unit elects them to be a member. Upon payment of dues, membership in this special membership category shall be for the lesser of two years or the duration of the special project, initiative, study or research project.

IV. MEMBERSHIP DUES AND ASSESSMENTS

This Section effectuates the Association Bylaws, ARTICLE V (2004).

A. Association Dues

4A-1.01 *Statements* Association dues for the forthcoming year of membership shall be due and payable on the first day of June. Dues statements shall be mailed by this Association to all members in advance of the fiscal year for which they are due. These statements shall include both Association dues and Unit dues.

4A-1.02 *Amount and Calculation* New members shall pay one full year's dues with their applications. At the next renewal date following the effective date of membership, new members shall pay an adjusted amount based on their effective date of membership. Those memberships that became effective during the first quarter shall be charged at the rate of seventy-five (75%) percent of the regular dues; memberships that became effective during the second quarter shall be charged at the rate of fifty (50%) percent of the regular dues; memberships that became effective during the third quarter shall be charged at the rate of twenty-five (25%) percent of the regular dues and memberships that became effective during the last quarter shall be deemed fully paid for the forthcoming year.

4A-1.03 *Lobbying Expenses* When calculating the percentage of dues attributable to lobbying efforts, the Association shall treat lobbying expenses as having been funded first by membership dues, rather than from some other form of income. The Association shall notify each member annually of the percentage of their Association membership dues which are attributable to lobbying expenses and which are therefore not deductible by the member pursuant to the U. S. Internal Revenue Rules.

4A-1.04 *Tax Implications* Pursuant to the U.S. Internal Revenue Rules, payment of dues, fees and assessments to the Association shall not be deemed to be capital contributions, unless specifically earmarked as such by the Association and the member-payor is so informed. Such contributions may be earmarked only for a particular project or enterprise within the purposes of the Association.

4A-1.05 *Dues Schedule and Information Form* Each member shall annually complete a Dues Schedule and Information Form provided by this Association. The member shall disclose the total number of individuals employed by that member. The form shall include an affirmation that the member shall continue to adhere and be bound by the Association Bylaws, Articles of Incorporation, Standard Operating Procedures, Policies and Procedures, Code of Operations, Code of Ethics and Professional Responsibility and Procedural Rules for the Ethics and Professional Responsibility Committee. Each member shall complete the form correctly and completely and return it, within thirty (30) days of receipt, along with its dues payment. Applications for renewal shall not be accepted or processed without a completed Dues Schedule and Information Form supplied by the member and inclusion of the remittance of the correct amount of dues.

B. Failure to Remit Association Dues

4B-1.01 Notice Any member whose dues remain unpaid thirty (30) days after the date due as set forth in the dues statement, shall be provided notice that their membership shall be terminated unless their dues are received within, sixty (60) calendar days of the date due as set forth in the dues statement, after which time their membership in this Association shall be subject to automatic termination without further notice.

C. Unit Dues

4C-1.01 Payment Unless otherwise agreed in writing by the Executive Committee of this Association and a Unit, the Association shall bill and collect all Unit dues and remit all such dues collected on behalf of the Units to the Units on a monthly basis. Such an agreement shall set forth the procedures for a Unit which bills and collects Unit dues along with Association dues, to remit to this Association its portion of Association dues collected, along with a full and complete accounting of the dues collected and a list of the Unit's members from which Association dues have been collected. The Unit shall notify this Association of membership cancellations.

4C-1.02 Related Services The Executive Committee shall assess a charge to the Unit for the service of billing, collecting and remitting Unit dues.

4C-1.03 Full and Complete Accounting Each remittance from this Association to a Unit shall be accompanied by a full and complete accounting of the dues collected and a list of the Unit's members from which dues have been collected. The Association shall notify each Unit of membership cancellations.

D. Assessments

4D-1.01 Requirements Whether determined and authorized by the Board of Directors or the Executive Committee of this Association pursuant to the Association Bylaws, ARTICLE V (2004), such body shall specify as a part of any motion creating such an assessment, the amount of the assessment and the members to which the assessment applies, and any exception to such application.

4D-1.02 Exceptions to Assessments Assessments will not be levied against Honorary or Retired Members. Other members may also be excepted from assessments levied for purposes that will not benefit those members, if such exception is specified in the motion creating the assessment.

4D-1.03 Failure to Remit Assessments Any member whose assessment remains unpaid thirty (30) days after the date set forth in the assessment statement, shall be provided notice that membership may be terminated unless the assessment is paid within thirty (30) days from receipt of that notice, after which time the Executive Committee shall make a final determination of the matter.

V. MEETINGS OF THE ASSOCIATION MEMBERSHIP

This Section effectuates the Association Bylaws, ARTICLE VI (2004).

The purpose of any meeting of the membership is to timely elect officers of this Association, to receive the reports of the Executive Committee, the Board of Directors and chartered committees of this Association and to make decisions concerning the Bylaws of this Association.

A. Notice

5A-1.01 *Notice of any Annual or Special Meeting of the Membership* Notice of an Annual or Special Meeting of the Membership, may be made in any manner reasonably calculated to provide to each member advance notice of the time, date, place and purpose of the meeting. Notice shall not be made in a manner which conflicts with law or the Bylaws of this Association.

5A-1.02 *Members of Record* Prior to an Annual or Special Meeting of the Membership, the Executive Committee shall establish a date on which an alphabetical list shall be prepared of the names of members who are entitled to receive notice and to vote. This list shall constitute the Members of Record as of such date.

5A-1.03 *Waiver of Notice* The presence of a member at any Annual or Special Meeting of the Membership is deemed a waiver of that member's right to advance notice for that meeting, unless the member registers a written objection regarding lack or sufficiency of notice with the Corporate Secretary or President prior to that meeting.

B. Voting

5B-1.01 *Voting at Any Annual Meeting of the Membership* Members of Record of this Association, other than Retired, Honorary, Credit and Collection Advocate and Coalition Members, may vote at any Annual Meeting of the Membership, provided they have fully paid the First Person/Delegate Member registration fee for the Annual Convention held in conjunction with said meeting of the membership and attend at least two full days of the Annual Convention. Alternatively, members of record of the Members' Attorney Program Division may also qualify their right to vote at any Annual Meeting of the Membership, provided they have registered and attended the MAP Legal and Continuing Education Conference on the condition that said conference: (1) is held concurrently with the convention; (2) spans at least two full days duration; and (3) generally requires a separate registration fee.

The registration fee for any Annual Meeting of the membership attributable to the officers of this Association shall be waived and deemed paid in full, thereby permitting them to vote at any such meeting of the membership at which they are in attendance. For purposes of this section, registration fees that are waived for designated individuals by the Association for attendance at the Annual Convention or the MAP Legal Education Conference shall be deemed paid in full, thereby qualifying the individuals to vote at any Annual Meeting of the Membership at which they are in attendance.

5B-1.02 *Parent or Branch Membership* Each parent member and each of its associated branches shall be entitled to one vote each, provided that a qualified representative from each parent and each branch is registered at that meeting and has fully paid the First Person/Delegate Member registration fee for each parent and for each branch membership for the Annual Convention held in conjunction with said meeting of the membership.

5B-1.03 Methods of Voting at any Special Meeting of the Membership shall be determined by the Executive Committee and provided to the membership in the notice of the Special Meeting of the Membership.

C. Order of Business at Meetings of the Membership

5C-1.01 *Description* Order of Business at any Meeting of the Membership shall be:

- (a) Calling of the roll
- (b) Appointment of parliamentarian
- (c) Proof that notice of meeting has been properly made
- (d) Motion to approve minutes of last meeting
- (e) Election of Officers (when applicable)
- (f) Report of Executive Committee
- (g) Report of action taken by Board of Directors
- (h) Reports of Committees (optional)
- (i) Unfinished business from last meeting
- (j) New business.

5C-1.02 *President Presides* The President of this Association shall act as chair of any meeting of the Membership. Any question as to priority of business shall be decided by the President without debate. However, in accordance with parliamentary procedure, the ruling of the President may be appealed. This requires a formal motion and a two-thirds (2/3) majority for approval.

VI. MEETINGS OF THE BOARD OF DIRECTORS

This Section effectuates ARTICLE VII (2004) of the Association's Bylaws.

The purpose of any meeting of the Board of Directors is to conduct the business of this Association as provided in the ARTICLE VII (2004) of the Association's Bylaws and to receive the reports of the Executive Committee and chartered committees.

A. Procedures for Meeting and Voting

6A-1.01 *Meeting by Electronic Presence* Unless otherwise prohibited by law, the Board of Directors may meet in any manner which provides simultaneous two-way communication between and among all participants who have the right to vote at that meeting. All notice and quorum requirements must be met for any meeting held by electronic presence. If such requirements are met, any action taken at such a meeting shall be deemed an action properly taken by the Board of Directors.

6A-1.02 *Delayed Subsequent Voting Pursuant to Meeting* A vote required or permitted to be taken at a Board of Directors meeting may be made in writing after that meeting has concluded, providing that a motion was passed at the meeting approving a written vote on one or more specified motions. A majority vote of all Directors shall be required to approve any such motion. A period of thirty (30) days shall be afforded each Director to return their vote to this

Association. In every instance where a vote is conducted in this manner, the Corporate Secretary shall record the vote cast by each Director and the results of the motion for which the vote was cast, in the records of this Association.

6A-1.03 *Written Action Without a Meeting* The Board of Directors shall be permitted to conduct Association business that arises between regularly scheduled Directors' meetings by any means allowed by law, provided that all currently seated Directors vote in the affirmative for any action which is approved. The Board shall set forth authentication procedures to reasonably assure that each vote cast in this manner is the vote of a duly elected Director of this Association.

6A-1.04 *Notice of Meeting* Notice of any Board of Directors Meeting, may be made in any manner reasonably calculated to provide to each Director advance notice of the time, date, place and purpose of the meeting. Notice shall not be made in a manner which conflicts with law or the Bylaws of this Association.

6A-1.05 *Waiver of Notice* The presence of a Director at any Board of Directors Meeting is deemed a waiver of that Director's right to advance notice for that meeting, unless the Director registers a written objection regarding lack or sufficiency of notice with the Corporate Secretary or President prior to that meeting.

B. Substitute Director (PROXY)

6B-1.01 No Director may vote by proxy at a meeting of the Board of Directors.

C. Order of Business at Meetings of the Board of Directors

6C -1.01 Order of Business at any meeting of the Board of Directors shall be:

- (a) Calling of the roll
- (b) Appointment of parliamentarian
- (c) Proof that notice of meeting has been properly made
- (d) Motion to approve minutes of last meeting
- (e) Nomination of officers (when applicable)
- (f) Report of Executive Committee
- (g) Reports of Committees
- (h) Unfinished business from last meeting
- (i) New business.

6C -1.02 *President Presides* The President shall act as chair at any meeting of the Board of Directors. Any question regarding the priority of business shall be decided by the President without debate. However, in accordance with parliamentary procedure, the ruling of the President may be appealed. This requires a formal motion and a two-thirds (2/3) majority for approval.

6C -1.03 *Duty to Report Actions* The Board of Directors, or its designee, shall report to the membership, actions it has taken at a Board of Directors Meeting immediately preceding a Meeting of the Membership.

VII. ASSOCIATION OFFICERS

This section effectuates the Association Bylaws, ARTICLE VIII, (2004).

7-1.01 Description The officers of this Association shall comprise the Executive Committee. They shall take office immediately upon their election, and they shall serve in the offices to which they have been elected until their successors are elected and qualified by the membership as provided in the Bylaws and Standard Operating Procedures of this Association.

7-1.02 Term Officers of this Association shall serve no more than a one-year term in each officer position to which they are elected, except that an officer may, in addition, fill out an officer's unexpired term due to a vacancy.

7-1.03 Status on Board of Directors Upon their election as officers, members of the Executive Committee, other than the Chief Executive Officer, shall be deemed to be members of the Board of Directors and shall have all the rights, privileges and obligations thereof, including the rights to vote as Directors.

7-1.04 Restrictions on Service No officer of this Association shall simultaneously serve as an officer of any U.S. Unit, the International Unit or any Division of this Association.

7-1.05 Charter The Executive Committee need not have a separate charter. The Bylaws and the Standard Operating Procedures of this Association shall serve as its charter.

7-1.06 Quorum Three of the current voting officers of this Association shall constitute a quorum for the Executive Committee.

7-1.07 Voting Each officer is entitled to one vote on all motions which are before the Executive Committee, except that the Chief Executive Officer shall not vote.

7-1.08 Proxy Voting No officer may vote by proxy at a meeting of the Executive Committee or Board of Directors.

7-1.09 Resignation of Officer An officer may resign at any time by delivering notice to the President of this Association. However, in the case of resignation by the President, notice must also be provided to the Secretary of the Corporation. A resignation is effective on the date the notice states it is effective, unless the Executive Committee approves a motion setting another effective date.

A. Duties of Executive Committee

7A-1.01 Description Executive Committee shall:

Financial Duties

- (a) Serve as a budget committee and, at least seven (7) days prior to the Annual meeting of the Board of Directors receive from the Chief Executive Officer a fully itemized proposed budget for the next fiscal year, for its review, amendment or approval.
- (b) Be responsible for approving all capital expenditures in excess of ten thousand dollars (\$10,000).
- (c) Create a policy designating who may sign checks on behalf of the Association in keeping with Generally Accepted Accounting Principles.
- (d) Maintain a policy of “Director and Officer Liability and Corporate Reimbursement Insurance,” to fund indemnification of individual directors, officers, employees or members engaged in authorized Association business as provided in Association Bylaws, ARTICLE VII, § 10, (2004), for losses for which they are not indemnified by this Association; and to reimburse the Association for amounts which it is lawfully permitted or required to expend in indemnifying its officers and directors for their losses.

Committee Duties

- (e) Supervise all other Association committees and require each to have a written charter in accordance with the Bylaws, Standard Operating Procedures and Policies and Procedures of this Association.
- (f) Be empowered to create or eliminate any committee which it has established, and no others.
- (g) Have the power to create additional Special Membership Categories.
- (h) Appoint directors to serve on the Loomer-Mortenson Scholarship Fund Committee and the ACA International Foundation and serve as the Membership Board of Review Committee.
- (i) With the exception of the Chief Executive Officer, serve as directors of the ACA Holding Company, Inc.

Supervision and Evaluation of Chief Executive Officer

- (j) Be responsible for supervising the Chief Executive Officer and shall, at least once annually make a written evaluation of the work of the Chief Executive Officer.

Appointment of Corporate Secretary

- (k) Appoint a Corporate Secretary who shall have responsibility for custody of the minutes of the meetings of the Board of Directors and meetings of the Membership and authenticating the records of this Association.
- (l) Be responsible for the operation and management of any other organization, acquired, managed or controlled by this Association and shall assign such duties as may be required to the Chief Executive Officer to assure such management and control is properly carried out.

Other

- (m) Have whatever additional powers and duties provided or permitted by the Bylaws, or the law of the state in which this Association is incorporated or which the Board of Directors may assign them.
- (n) Provide minutes of all Executive Committee meetings to the Board of Directors and report to the Board of Directors, actions it has taken between meetings of the Board of Directors.

B. Selection of Officers

1. Nomination and Election of Officers

7B1-1.01 *Categories of Officer Seating* There shall be a total of five elected officer seats. Four of these elected officer seats shall be filled only by members of a Unit whose business, or any portion thereof, is related to the collection of third-party debt. These shall be called the Unit Seats.

There shall be one elected officer seat, which shall be filled either by a member of a Unit, whose business, or any portion thereof, is related to the collection of third-party debt, or by a member of a Division. This shall be called the At-Large Seat.

7B1-1.02 *Continuing Qualification Required* Officers elected to fill the Unit Seats must maintain their Unit membership status throughout their entire term of service on the Executive Committee. Officers elected to fill the At-Large Seat must maintain their Unit or Division membership status throughout their entire term of service on the Executive Committee.

7B1-1.03 *Seat to Retain Elected-Constituent Status* If an officer is originally elected to fill a Unit Seat, that officer shall be deemed to be filling a Unit Seat throughout their entire term of service on the Executive Committee regardless of which officer position they hold.

If an officer is originally elected to fill an At-Large Seat, that officer shall be deemed to be filling an At-Large Seat throughout their entire term of service on the Executive Committee, regardless of which officer position they hold.

7B1-1.04 *Qualifications of Officer Candidates* In order to qualify to be nominated and elected as an officer in this Association, such candidate must:

- (a) Be a natural person;
- (b) Be 18 years of age or older;
- (c) Be a member in good standing of this Association;
- (d) If running for a Unit seat, be a member in good standing of a Unit whose business, or any portion thereof, is related to the collection of third-party debt;
- (e) If running for an At-Large seat, be a member in good standing of a Division or of a Unit;
- (f) Unless otherwise waived, have paid the First Person/Delegate Member registration fee for the Annual Convention held in conjunction with the Annual Meeting of the Membership at which their nomination will be considered; and,
- (g) Prior to their nomination or confirmation at the Annual Meeting of the Board of Directors and prior to the election at the Annual Meeting of the Membership, disclose any conflict of interest that may impact their service on the Executive Committee and also disclose any financial, business or commercial relationship they may have with any other member of the Executive Committee or candidate for Executive office, such as participation in purchasing groups, debt buying purchasing pools or a common interest in any debt or credit related enterprise.

7B1-1.05 *Nominations* Nomination of the Treasurer, Vice President and President Elect shall occur at the annual Board of Directors meeting held prior to the Annual Meeting of the Membership. The nomination of the President-Elect [duly elected at the immediately preceding Annual Meeting of the Membership] for the office of President shall be presented to the Board of

Directors for confirmation at the annual Board of Directors meeting held prior to the Annual Meeting of the Membership.

7B1-1.06 *President* The only nomination for the President shall be the individual elected as President-Elect at the immediately preceding Annual Meeting of the Membership, regardless of what office that person may have assumed in this Association in the interim.

7B1-1.07 *Election* The election of the Treasurer, Vice-President, President-Elect and President shall occur at the Annual Meeting of the Membership. A majority vote of the qualified votes cast at the Annual Meeting of the Membership shall elect and no proxy votes shall be cast or counted. Absentee ballots may be cast at the Annual Meeting of the Membership in accordance with § 7(b)5-1.01 herein below and shall be included in the calculation of the number of votes cast.

7B1-1.08 *Additional Rules for Officer Elections* The Executive Committee shall approve rules and procedures for officer elections each year which shall apply to the following year's election. Such rules and procedures shall not conflict with the Bylaws, Articles of Incorporation, Standard Operating Procedures or Policies and Procedures of this Association.

2. Rights of Declared Officer Candidates

7B2-1.01 *Meetings* Declared officer candidates shall be invited to attend the Executive Committee and Board of Directors meetings, which are held immediately prior to the Annual Meeting of the Membership at which their nomination will be considered, and receive all materials relating to such meetings.

7B2-1.02 *Annual Meeting of the Membership* Following the election, the newly elected Treasurer may speak for a maximum of five minutes at the Annual Meeting of the Membership.

3. Voter Eligibility Rules for Officer Elections

7B3-1.01 *Conditions of Voting Eligibility* Each Member of Record of this Association is entitled to one vote in officer elections, provided that:

- (a) Regardless of the membership type, a ballot shall be issued to each individual identified as a First Person/Delegate Member who is present at the Annual Meeting of the Membership, provided they have paid the First Person/Delegate Member registration fee for the Annual Convention.
- (b) Individuals who are not registered as First Person/Delegate Members and those who are registered for daily registration only at the Annual Convention, are not entitled to vote except as otherwise provided in Section 5B-1.01 of these Standard Operating Procedures.
- (c) Staff shall prepare a description of voter eligibility rules, the election process and the rules pertaining to absentee ballots for distribution to members who register at the Association's Annual Convention or the MAP Legal Education Conference. This information shall be included in the attendees' registration packets.

7B3-1.02 *Limitations* No one person may obtain more than one ballot, even though they may own more than one member agency.

7B3-1.03 *Contested Election* If there is an election, which requires a written ballot, ballots will be issued immediately prior to the Annual Meeting of the Membership to the First Person Delegate member only. As each eligible voter receives a ballot, their name will be checked off on the Official Registration List and they will be asked to sign beside their name.

7B3-1.04 *Multiple Candidates* The highest vote recipient(s), who obtain(s) a majority shall be declared the winner. In the event there are three or more candidates for a single office, and no one candidate receives a majority vote on a first ballot, a second vote shall be taken. This second ballot shall include the names of the two highest vote recipients. In the event of a second vote, any absentee ballots cast in the first vote shall be also counted in the second vote tally. Those indicating a vote for a candidate who was eliminated after the first vote shall not be counted in the second vote tally.

4. Multiple Registrations From Same Member Parent Office

7B4-1.01 *Conditions of Voting Eligibility* Representatives from the same member-owned parent office, may be allowed to obtain a ballot for additional branch offices if each location is owned by the same parent-member office and prior to the Annual Meeting of the Membership, each representative:

- (a) Registers as a First Person/Delegate Member;
- (b) Pays the established registration fee for a First Person/Delegate Member;
- (c) Registers in the name of a separate member branch office; and,
- (d) The Association's Corporate Secretary reviews and approves of the prearrangement in accordance with these Standard Operating Procedures and, if so approved, shall issue one ballot to each representative.

5. Absentee Ballots

7B5-1.01 *Procedure* If an otherwise eligible voter finds it absolutely necessary to be absent from the election proceedings at an Annual Meeting of the Membership, they may obtain an absentee ballot from the Association's Corporate Secretary. Blocks of time will be established and announced prior to the Annual Meeting of the Membership during which absentee ballots will be issued. They will not be available nor issued at any other times. Advance notice of the blocks of time and the process by which an absentee ballot may be obtained shall be provided to Annual Convention and MAP Legal Education Conference attendees in their respective registration packets. Absentee ballots shall only be counted and recorded in the event a candidate for office is opposed or in the event the nomination of the President-Elect for the position of President is not confirmed by the Board of Directors.

VIII. STAFF

This Association shall have a staff which shall be responsible for its day-to-day operation. The staff shall be under the supervision of the Chief Executive Officer.

A. Chief Executive Officer

8A-1.01 *Conditions of Employment*

The Chief Executive Officer shall be engaged and retained by contract between the Chief Executive Officer and the Executive Committee in its capacity as agent for this Association, for such periods of time and under such conditions of employment as shall be mutually agreed upon.

8A-1.02 Termination Membership in the Association shall not be a condition in the selection of the Chief Executive Officer. The services of the Chief Executive Officer may be terminated by the Executive Committee in accordance with the terms of the contract.

8A-1.03 Expense Reimbursement A policy for reimbursement of expenses incurred by the Chief Executive Officer incidental to the performance of duties shall be approved by the Executive Committee. Documentation for reimbursement shall be forwarded to the President for approval in accordance with this policy.

8A-1.04 Duties of the Chief Executive Officer The Chief Executive Officer is responsible to assure the following tasks, under the supervision of the Executive Committee:

Staffing

- (a) Hiring and maintaining a staff. The Chief Executive Officer shall serve as the lead staff person for this Association;

Financial Management

- (b) Overseeing of all day-to-day finances of the Association in keeping with Generally Accepted Accounting Principles;
- (c) Depositing all payments made to the Association, including receipts of all amounts due, in a checking account maintained by the Association in a reputable financial institution insured under federal law and convenient to the Association's Central Office. Payments of Association obligations shall be made from that account in a timely manner;
- (d) Providing a regular accounting of deposits and expenditures to the Treasurer;
- (e) Sending out statements for all accounts receivable and dues at appropriate times;
- (f) Complying with a check signing policy which has been approved by the Executive Committee;
- (g) Authorizing as necessary, all capital improvements. Submitting a request for approval to the Executive Committee when any proposed capital expenditure exceeds, or is expected to exceed, ten thousand dollars (\$10,000);
- (h) Preparing itemized budgets for the Association each year;
- (i) Preparing an independently audited annual financial report;

Annual Convention

- (j) Planning, promoting and implementing of the Association's annual convention;

Executive Committee

- (k) Serving as a non-voting member of the Executive Committee and at the Annual Meeting of the Membership;
- (l) Keeping minutes of all meetings of the Association's Board of Directors, Executive Committee and Annual Meeting of the Membership;

Corporate

- (m) Assuring the implementation of a strategic business plan;
- (n) Complying with requirements to maintain the Association's corporate status, including, but not limited to if required, filing annual reports to the state of incorporation, and assuring that a registered office is maintained;
- (o) Registering, maintaining and renewing all necessary licenses, permits, trademarks and Web domain names;
- (p) Creating and disseminating the Association's Official Publication;

- (q) Creating and disseminating the annual Roster, if any, and any other Association communications;
- (r) Serving as a Director of the Loomer-Mortenson Scholarship Foundation Board;
- (s) Serving as non-voting member of the ACA International Foundation;

General Duties

- (t) Handling the general correspondence of this Association;
- (u) Retaining and securing the records and files; and,
- (v) Performing such other duties as shall be required from time-to-time by the Executive Committee.

IX. COMMITTEES

This Section effectuates the Association Bylaws, ARTICLE IX, Section 3 (2004).

A. Creation of Committees

9A-1.01 *Power to Create and Eliminate* The Board of Directors and the Executive Committee may each create committees in accordance with the Bylaws and may eliminate those committees which they established.

B. Currently Chartered Committees

9B-1.01 *Description* Each Committee shall have a written charter in accordance with the Bylaws of this Association. Committees may be characterized as Operational, Divisional and Special Program-Related. The following are the currently chartered committees of this Association:

Operational Committees

- ACPAC Steering
- Education Council
- Ethics and Professional Responsibility
- Honorary Membership
- International Fellowship of Certified Collection Executives
- Interstate
- Master Credit Executive
- Legal Fund
- Membership
- Membership Board of Review
- Legislative Council
- Professional Practices Management System (PPMS)
- Ralph I. Smith Electronic Resource Center
- Retired Members

Divisional Committees

- Affiliate Member
- Asset Buyers
- Creditors International
- Members' Attorney Program

Special Program-Related Committees

- Internet & Check Services Program
- Government Services Program

Healthcare Services Program

9B-1.02 *Task Forces* The Executive Committee may appoint a task force to handle short-term projects. A Task Force shall be deemed as a Committee of this Association which shall be in existence for a limited time only. If appointed, the task force shall have its responsibilities and goals set forth in a charter. A date by which time the Task Force shall terminate shall be stated in the Charter or a date when the Task Force must be renewed by the Executive Committee. If not so renewed, the Task Force shall cease to exist after the renewal date.

9B-1.03 *Committee* The Election Certification Committee, which serves at Meetings of the Membership, is a temporary procedural body, composed of the Immediate Past President, one additional Past President appointed by the President, and one member at large appointed by the President. This committee need not have a charter, shall be governed by the Bylaws and Standard Operating Procedures and shall be appointed and supervised by the President. It shall cease to exist when the tasks are completed. This Committee shall be responsible for certifying the voting and election procedures as described in these Standard Operating Procedures and Bylaws, including but not limited to the tallying of votes cast. The actual count of any vote taken shall not be disclosed by the Election Certification Committee.

9B-1.04 *Other Committees* Other Committees may be created from time-to-time, pursuant to the Bylaws and these Standard Operating Procedures.

9B-1.05 *Committee Charters* The Charter for each committee must be approved by the Executive Committee. Charters will be a part of the Policies and Procedures of this Association. The Executive Committee shall designate one or more individuals to draft charters for newly-created Committees, or to update or revise charters for existing Committees.

9B-1.06 *Nominations to Committees* The President-Elect shall work with the Chief Executive Officer prior to the Annual Meeting of the Board of Directors to determine a slate of nominees for Committee and Chair positions for the one-year period that shall begin immediately following the close of the Annual Meeting of the Board of Directors and end at the close of the next Annual Meeting of the Board of Directors. The Executive Committee shall vote to elect or decline to elect each nominee. In the event that additional nominees are required to fill committee positions following this election, the President-Elect and the Chief Executive Officer shall provide the names of additional nominees and the Executive Committee shall vote to elect or decline to elect these additional nominees to the remaining committee positions. This process shall be completed prior to the Annual Meeting of the Board of Directors.

9B-1.07 *Duty to Report* Upon their election by the Executive Committee, the names and committee designation of all committee members shall be reported at the next Board of Directors meeting and at the next Annual Meeting of the Membership.

9B-1.08 *Record Keeping* The minutes of any Executive Committee meeting at which committee members are elected shall specifically set forth the name of the individual elected, the term of their service on that committee pursuant to its charter, and whether that person has been elected

to fill out the existing term of a previous committee member or whether they are elected to a full term.

9B-1.09 *Elimination of Committees* Either the Board of Directors or the Executive Committee may eliminate a Committee which that particular body has created, provided that provision is made to wind up the affairs of the committee and to notify all committee members and the staff liaison of the committee's elimination.

C. Operation of Committees

1. Optional Provisions

9C1-1.01 *Optional Requirements* Unless otherwise stated in a Committee's charter, all committees shall:

- (a) Have a total of five (5) members, which shall include the chair;
- (b) Have staggered, three (3) year terms; and,
- (c) Allow committee members to be elected to unlimited, successive terms.

2. Requirements of all Committees

9C2-1.01 *Mandatory Requirements* All Committees of this Association shall:

- (a) Meet at least once during each fiscal year as provided in the Committee Charter or by any other reasonable means as determined by the Executive Committee;
- (b) Provide notice in advance of committee meetings to each elected member by any reasonable means;
- (c) Follow an agenda, whether written or oral, which sets forth the proposed order of business and goals for each meeting;
- (d) Keep accurate records of the date of each meeting, members in attendance and any action taken. Such minutes will be provided to the Chief Executive Officer, or designee of the Chief Executive Officer;
- (e) Have one or more chair persons who shall be responsible to assure that notice is provided to its members, an agenda is created and communicated, and that minutes are taken and provided to the Chief Executive Officer, or the designee of the Chief Executive Officer. The Chair shall prepare a midyear and year-end report of the committee's activities;
- (f) Define quorum as a majority of committee members currently seated;
- (g) Establish that each committee member shall be entitled to one vote on each formal motion which comes before the committee; and,
- (h) Provide that the committee shall take no action unless a quorum is present.

9C2-1.02 *Acts of Committee* The acts of any Committee shall not exceed the powers granted to it in that Committee's charter.

9C2-1.03 *Modification of Charter* Any Committee may approve a motion requesting that the Executive Committee modify its charter.

9C2-1.04 *Vacancies* The President may conditionally appoint a successor to fill any vacancy on a committee. The appointee shall be deemed to be a member of the committee to which they are appointed, effective as of the date of appointment. However, at the next opportunity, the

Executive Committee will vote on the appointment. If the Executive Committee approves the appointment, the person shall be deemed a member of that committee. If the Executive Committee does not approve, the appointee shall no longer be a member of that committee.

9C2-1.05 *Committee Expenditures* Committee expenses are limited to those approved in their budget, if any. Any deviation in expenditures must be approved in advance by the Chief Executive Officer, or the designee of the Chief Executive Officer.

9C2-1.06 *Compensation* Committee members shall receive no remuneration for committee service, unless the Committee charter states otherwise.

9C2-1.07 *Staff Liaison* A committee may have a staff liaison who may be an employee of this Association. A committee may also have a liaison who is a member of the Executive Committee. Whether such staff liaison has a vote or is an elected member of the committee shall be set forth in the charter of that committee.

X. POLICIES AND PROCEDURES

10-1.01 *Policies and Procedures* This Association may establish Policies and Procedures to serve as a set of rules for the day-to-day operation of this Association. The Policies and Procedures shall effectuate and supplement these Standard Operating Procedures, the Bylaws and Articles of Incorporation of this Association and shall not supercede or conflict with them.

10-1.02 *Binding Effect* All members of this Association, its staff and officers shall be bound by the current Policies and Procedures.

10-1.03 *Interpretation* Any interpretation of these Policies and Procedures which does not conflict with any provision of the Standards Operating Procedures, the Bylaws or Articles of Incorporation of this Association shall be preferred, rather than an interpretation that conflicts with the Standards Operating Procedures, the Bylaws or Articles of Incorporation of this Association.

10-1.04 *Approval and Amendment* The Executive Committee shall have the responsibility for establishing, approving and amending the Policies and Procedures of this Association.

XI. AMENDMENTS TO BYLAWS AND STANDARD OPERATING PROCEDURES

A. Amendments to Bylaws

11A-1.01 *Proposed Change* Any proposed change to the Bylaws must first be made by motion at a meeting of the Board of Directors. Provided the change is approved by a majority vote of the Board of Directors, the proposed change shall then be considered at a meeting of the Membership following that Board of Directors Meeting.

11A-1.02 *Restrictions on Presentation to the General Membership* Proposed changes to the Bylaws which have been approved by the Board of Directors may be presented by motion at a Meeting of the Membership. A majority vote of the membership is required to approve the

proposed change. If the Board of Directors does not approve the proposed change, it shall not be considered at a meeting of the Membership.

11A-1.03 *Effective Date* Any approved change will take immediate effect unless otherwise provided for in the motion.

11A-1.04 *Notice to Corporate Secretary* Notice of any proposed change to the Bylaws must be submitted to the Corporate Secretary of this Association at least ninety (90) days before the meeting at which such change will be considered. Proper notice of such a proposed change shall include: (1) the name(s) of the Member(s), Unit or Division, proposing the change, (2) the complete text of the proposed change(s), or a substantive summary including section numbers, (3) and the reasons for such proposed change.

11A-1.05 *Notice of Proposed Change* The Corporate Secretary shall provide at least sixty (60) days prior notice of the proposed change, and related information, in the notice of the meeting of the membership and at least thirty (30) days prior notice of the proposed change in the notice of the meeting of the Board of Directors, at which such change will be considered. Proper notice of any proposed change shall be deemed effective if the Corporate Secretary publishes, otherwise disseminates, or makes available the proposed change, and related information, as provided in the meeting notice.

B. Amendments to Standard Operating Procedures

11B-1.01 *Proposed Change* These Standard Operating Procedures may be amended, repealed, or altered in whole or in part by a majority vote of the Board of Directors at any duly organized meeting, provided that notice of any proposed change has been previously provided in the notice of that Board of Directors meeting at which the change may be considered.

11B-1.02 *Notice to Corporate Secretary* Any proposed change to these Standard Operating Procedures must be submitted to the Corporate Secretary of this Association at least sixty (60) days before the meeting at which such change will be considered. Proper notice of such a proposed change shall include: (1) the name(s) of the Director(s), Unit or Division, proposing the change, (2) the complete text of the proposed change(s), or a substantive summary including section numbers, (3) and the reasons for such proposed change.

11B-1.03 *Notice of Proposed Change* The Corporate Secretary shall provide at least thirty (30) days prior notice of the proposed change, and related information, to each Director, in the official notice of the meeting. Proper notice of any proposed change shall be deemed effective if the Corporate Secretary publishes, otherwise disseminates, or makes available the proposed change, and related information, as provided in the meeting notice.

11B-1.04 *Effective Date* Any approved change will take immediate effect unless otherwise provided for in the motion.

XII. DEFINITIONS

12-1.01 *Terms and Definitions* This Section provides the official definitions for terms used throughout these Standard Operating Procedures and Bylaws of this Association. These

definitions shall be used to ascertain the meaning and effect of this document and the Bylaws of this Association and to aid in the interpretation of these documents.

“Annual Meeting of the Membership” means the annual business meeting of the Association membership held in conjunction with the Association’s Annual Convention.

“Assessment(s)” means an amount of money owed to this Association other than as dues or in exchange for tangible products or services.

“Association Central Office” means the current headquarters of this Association.

“Association’s Official Publication” means the *Collector Magazine* or such other medium or communication tool which the Executive Committee by resolution may designate.

“Association” and “this Association” means the “ACA International, The Association of Credit and Collection Professionals,” a corporation existing as a 501(c)(6) under the Rules of the U.S. Internal Revenue Service.

“Branch Membership” means an additional membership granted for an additional location when a current individual member or entity already holds membership in this Association.

“Committee” means a committee as set forth in the Association Bylaws, ARTICLE IX, § 3 (2004) and these SOPs. “Council,” “Task Force,” “Trustees,” “Fellowship,” “Board of Review,” and “Society” shall all be deemed synonyms for “Committee.”

“Current Voting Officers” means, with regard to the Executive Committee, President, President-Elect, Vice President, Treasurer and Immediate Past President. This term does not include the Chief Executive Officer.

“Days” means calendar days, unless otherwise specified.

“Director” means a director of this Association as defined in the Association Bylaws, ARTICLE VII (2004).

“Division” means a body of members in this Association, primarily composed of individuals or entities. Members of a Division have all of the rights, privileges and obligations of membership in this Association as provided in Bylaws of this Association and these Standard Operating Procedures.

“Domicile” means the physical location of the member’s primary principal place of business.

“Executive Committee” means the Officers of this Association as defined in the Association Bylaws, ARTICLE IX, § 1 (2004).

“First Person/Delegate Member” means a person who has paid the established registration fee for a First Person/Delegate Member at the Annual Convention held in conjunction with the Annual

Meeting of the Membership and in whom the right to vote is vested at the Annual Meeting of the Membership and who has been properly qualified by the Association's Corporate Secretary and as further defined in 5B-1.01 of these SOPs to include members of record of the Members' Attorney Program Division who also qualify to vote at any Annual Meeting of the Membership, provided they have registered and attended the MAP Legal and Continuing Education Conference on the condition that said conference: (1) is held concurrently with the convention; (2) spans at least two full days duration; and (3) generally requires a separate registration fee.

"First Remittance of Unit Dues" means payment of dues which are owed, at least in part, by a member to a Unit of this Association.

"Governing Body" means any Committee, including the Executive Committee, the Board of Directors and any Meeting of the Membership.

"In Good Standing" means a member who currently has all of the rights, privileges and obligations of a member of this Association, has paid all dues, assessments and other fees then due and owing to this Association and is not suspended or expelled.

"International Unit" means the Unit composed of non-U.S. members which is limited to a maximum of four (4) directors on this Association's Board of Directors.

"Multi-State Unit(s)" means, and is synonymous with, U.S. Unit for purposes of these SOPs.

"Paid" means, with regard to a First Person/Delegate registration fee at the Annual Convention, either paid in full by the member, paid on the member's behalf or otherwise waived by this Association.

"Parent" means an entity which owns or controls more than one member of this Association.

"Qualified U.S. Entity" means a firm or corporation domiciled in a State and which meets all of the established criteria, including payment of all fees, dues, and assessments and meets all of the requirements for its application for a particular membership right, privilege or obligation.

"Special Membership Category" means a membership designation approved by the Executive Committee for the purpose of assisting members with similar interests with suitable and desirable services and products and broadening the knowledge base for those members in particular areas.

"State" means the 50 U. S. states and does not include Puerto Rico, the U.S. Virgin Islands, and all current and future U.S. Possessions and Trust Territories.

"Substantially Engaged in the Asset Buying Industry" means the buying, selling or financing of accounts receivable, providing legal counsel to those who buy, sell or finance accounts receivable transactions, the financial analysis or valuation of accounts receivable or advocacy on behalf of the asset buying and selling industry. For purposes of this definition, at least 5% of the applicant's or Asset Buyers Division Member's business activity must relate to the criteria listed

in this section and none of the applicant's or Asset Buyers Division Member's business revenue may result from collecting debt on their own behalf or from providing third party collection services.

“Substantially Related to the Credit Industry” and “Substantially Engaged in the Credit Industry” means those services deemed by this Association to be in furtherance of the business of its members who are engaged in the credit industry.

“Substantially Related to the Collection Industry” and “Substantially Engaged in the Collection Industry” means those services deemed by this Association to be in furtherance of the business of its members who are engaged in the collection industry including, but not limited to, third-party collection agencies, billing companies, consumer reporting agencies and asset buyers that collect debt on their own behalf and/or provide third party debt collection services.

“Unit” means either the International Unit or a U.S. Unit, incorporated within a State or group of States, that has applied to and been accepted by this Association.