

THE ASSOCIATION OF COMMERCIAL FINANCE ATTORNEYS, INC.

BY-LAWS

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ARTICLE I – OFFICES

The principal office of this Corporation shall be located in the City of New York and State of New York. In addition to the principal office, the Corporation may have other offices within or without the State of New York as may be designated by the Board of Directors.

ARTICLE II – OBJECTIVES

The objectives of the Corporation shall be to cultivate the science of jurisprudence; promote reforms in the law; facilitate the administration of justice; elevate the standard of integrity, honor, and courtesy in the legal profession; and stimulate and cherish the spirit of brotherhood among its members, particularly with regard to legal representation concerning matters related to the factoring and commercial finance industry.

The Corporation shall not be conducted for the financial profit of its members, but shall be conducted solely for the mutual benefit of its members.

ARTICLE III – MEMBERSHIP

Section 1. Any person who is a member of the Bar, and a practicing attorney of good repute, and who has an active interest in and sincere concern regarding the best interests of the factoring and commercial finance industry and who will comply with the

certificate of incorporation and bylaws of the Corporation, shall be eligible for general membership. Judges, retired attorneys and law students may join as special members, as determined by the Board of Directors.

Section 2. Any person possessing the requisite qualifications for membership and desiring to obtain membership in this Corporation, shall make written application to the Corporation. Such applicant may be accepted to membership if his or her application is approved by the President, any Vice-President, the Secretary or the Treasurer of the Corporation.

ARTICLE IV – MEMBERSHIP DUES

The annual dues shall be such amount as may be fixed by the Board of Directors and shall be payable during the month of January of each year until changed by the Board. The dues for each new member from the time of his or her election shall be a sum equal to the annual dues, provided, however, that if such payment is made within the last quarter of such year, such new member shall be deemed to have paid dues for the next succeeding year. Such dues shall be payable within thirty (30) days after the date upon which notice of dues is mailed to each member.

The Board of Directors may, from time to time, levy such assessments against members as, in their sole discretion, shall be equitable and necessary in the furtherance of the purposes for which the Corporation was formed, provided, however, that no such assessment in any one year shall exceed the sum of fifty dollars (\$50) without the consent of two-thirds of all members.

ARTICLE V – RESIGNATION

Any member of the Corporation may resign from membership by tendering a written resignation to the Board, but such resignation shall not relieve such member from being responsible for the payment of any outstanding dues, assessments or other indebtedness.

ARTICLE VI – SUSPENSION OR EXPULSION

Section 1. Any member of the Corporation who, by personal or business conduct, violates any of the provisions of the Certificate of Incorporation or bylaws of this Corporation, or who is guilty of conduct unbecoming a member of the Bar or of this Corporation, may be suspended or expelled by a two-thirds vote of the Board of Directors at a regular or special meeting upon recommendation for such action by a majority of an ad hoc grievance committee, which shall consist of three (3) members of the Board of Directors appointed by the President. Charges against any members of the Corporation shall be in writing, shall contain the name and address of the individual making the complaint and a concise statement of all the alleged facts constituting a cause for suspension or expulsion, shall be filed with such grievance committee, and a true and correct copy of such charges shall be delivered to the member against whom such complaint is entered. The grievance committee shall, if it deems necessary, hold a hearing with respect to the charges so made and filed. It shall be the privilege of the member proposed to be suspended or expelled to appear in person and be heard by the grievance committee before such committee takes final action on the question of said expulsion.

Section 2. Members may be suspended or expelled for failure to pay annual dues or assessments in accordance with such rules as may be established from time to time by the Board of Directors. Such members who are suspended or expelled shall not be entitled to vote.

ARTICLE VII – MEETINGS OF MEMBERS

Section 1. The regular annual meeting of the Corporation shall be held during the month of November of each year on such date and at such time and place as may be determined by the Board of Directors. At the annual meeting the members shall elect the entire Board of Directors and all officers and shall transact such other business as may properly come before the meeting. The time and place of the regular annual meeting shall not be changed within thirty (30) days of the date so fixed, and a written notice of such change shall be mailed by the Secretary to each member at his or her last known address.

Section 2. Written notice of all regular meetings shall be sent by the Secretary at least five (5) days in advance. Notice required to be given under the provisions of these By-laws to any member may be given by telephone, mail, facsimile, or electronic mail. Notice by mail shall be deemed given three days after the time it is mailed.

Section 3. A quorum for an annual or special meeting shall be a majority of the members in good standing present at such meeting in person or represented by proxy.

Section 4. Each member shall be entitled to one (1) vote upon the election of the Board of Directors and officers and upon any question coming before any meeting

of the members. All elections and all questions shall be decided by a majority of those members present at the meeting.

Section 5. At all meetings of the Corporation, any member shall be entitled to cast, by or through a proxy, all the votes to which he or she is entitled, upon establishing to the satisfaction of the Board of Directors or any committee thereof duly appointed, the validity of such proxy.

Section 6. A complete list of the members in good standing and entitled to vote at an election, arranged in alphabetical order, with the business address of each, shall be prepared by the Secretary at least ten (10) days before every election, and shall, at all times during usual hours of business, and during the whole time of such election proceedings, be open to the examination of any member.

Section 7. Special meetings of the members of the Corporation may be held at any place upon call by the President or a majority of the Board of Directors upon ten (10) days' written notice given to each individual member, either personally, by letter mailed to his or her last known address, electronic mail or facsimile.

In any case, special meetings may be convened by the members entitled to cast ten percent of the total number of votes entitled to be cast at such meeting upon demand in writing, specifying the date and month thereof, which may not be less than two nor more than three months from the date of such written demand. If within five days of such demand the Secretary of the Corporation has not given notice of such meeting, any member signing such demand may give notice. Notice of a special meeting must state the purpose(s) for which the meeting is called.

ARTICLE VIII – ANNUAL MEETING: ORDER OF BUSINESS

The suggested order of business at annual meetings of the members shall be:

1. Roll Call.
2. Reading and approval of minutes of previous meetings.
3. Report of the President.
4. Report of the Treasurer.
5. Reports of the Committees.
6. Unfinished and new business.
7. Election of Board of Directors.
8. Election of officers.

Where procedure is not otherwise provided, Roberts' Rules of Order shall control the conduct of such meetings.

ARTICLE IX – BOARD OF DIRECTORS

Section 1. The properties and business of this Corporation shall be managed by its Board of Directors. The number of Directors shall be at least seventeen (17). All officers shall be members of the Board of Directors for the terms of their offices. Subject to Article XII, Directors shall be elected by a majority vote of the members present at the regular annual meeting of members.

Section 2. Terms of Directors. Directors shall be elected for a term of two (2) years by the Board of Directors by majority vote at the annual meeting. Terms shall commence at the conclusion of the annual meeting at which elected and shall end at the conclusion of the annual meeting in the year in which the term expires.

Section 3. In order to promote participation in the governing of the Corporation by a broad base of the membership, no more than two members of the Corporation who are members of the same law firm or corporate legal department shall simultaneously stand for election as Officers and/or Directors.

Section 4. Any vacancy for an unexpired term in the Board of Directors, or by reason of an increase in the number of Directors, shall be filled by a majority vote of the Board present at any meeting thereof.

Section 5. The Board of Directors shall have the power to:

- (a) Increase or decrease the number of directors constituting the entire Board by the vote of a majority of the entire Board;
- (b) Appoint all agents of the Corporation and prescribe their duties and fix the compensation of such agents;
- (c) Appoint such standing ad hoc committees as may be found to be necessary or desirable to carry out the purposes of this Corporation, and to fix their powers and prescribe their duties;
- (d) Designate depositories for the Corporation and rent safety deposit vaults and provide the manner of signing checks, notes, bills and other evidences of indebtedness of the Corporation;
- (e) Invest and reinvest the funds of the Corporation and change such investments from time to time;
- (f) Bond such officers, agents and employees of the Corporation as may be necessary in such amounts and with such sureties as may, in their sole judgment, be necessary;

- (g) Plan all educational and other programs; and
- (h) Do all lawful things and exercise all such lawful powers as are not vested in the members of the Corporation and as will promote the purposes of this Corporation.

Section 6. Meetings of the Board of Directors may be held either within or without the State of New York and may be held telephonically. The annual meeting of the Board of Directors shall be held in June of each year at such place as shall be designated by the President. Regular meetings of the Board may be held at such intervals as shall be determined from time to time by resolution of the Board or at the request of the President and may be held without notice of the time and place other than an announcement at the immediately-preceding regular meeting of the Board. Special meetings of the Board may be called by the President or a majority of the Board on two (2) days' notice of the time and place and purpose thereof served either personally or by mail or electronic mail. No business may be transacted at a Special Meeting that does not relate to the purpose specified in the notice. Notice required to be given under the provisions of these By-laws to any Director may be given by telephone, mail facsimile, or electronic mail. Notice by mail shall be deemed given three days after the time it is mailed.

Section 7. Five (5) Directors shall be necessary to constitute a quorum for the transaction of business and the act of a majority of the Directors constituting a quorum present at any meeting, participating in a telephonic meeting or participating by written vote shall, unless otherwise specifically stated in these bylaws, be the act of the Board.

Section 8. The Directors shall receive no compensation for their services.

ARTICLE X – OFFICERS

Section 1. The Officers of the Corporation shall be nominated by the Board of Directors at the request of the Executive Committee (in consultation with the three immediate past presidents of the Corporation) and elected by a majority vote of the members present at the regular annual meeting of members. The officers of the Corporation shall be a President, two or more Vice Presidents, a Secretary and a Treasurer. Officers shall hold their offices for two years or until their successors are chosen and qualify in their stead. Any officer may be removed, for any reason whatsoever, at any time by the affirmative vote of two-thirds of the members. In the event of the death, resignation, removal, or disqualification of any Officer, the vacancy shall be filled by a majority vote of the Board of Directors.

Section 2. The Officers shall not receive any compensation for their services.

Section 3. The President shall preside at all meetings of the members of the Corporation and of the Board of Directors. He or she shall be an ex officio member of all regular and ad hoc committees; shall execute all instruments in the name of the Corporation; shall see that all resolutions of the members and of the Board shall be carried into effect; and shall perform all such other duties as may normally pertain to the office of President.

Section 4. The Vice Presidents shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors or the members may prescribe by resolution.

Section 5. The Secretary shall keep a list of the names and business addresses of the members of the Corporation; shall attend all meetings of the members and of the Board of Directors and keep a record of such non-educational meetings in a minute book belonging to the Corporation; shall be the custodian of the records of the Corporation, except those pertaining to the office of Treasurer; and shall be custodian of the corporate seal. Additionally, he or she shall send out notices of meetings of the members and of the Board of Directors; shall conduct all correspondence, other than that pertaining to the office of the President and the Treasurer; shall do all such things and carry out all such orders as may be required by the members of the Corporation or by the Board; and shall perform such other duties as normally may pertain to the office of Secretary. The Secretary shall be reimbursed by the Corporation for all expenses incurred carrying out his or her duties, including, without limitation, postage and the cost of supplies.

Section 6. The Treasurer shall receive, disburse, and collect all monies due and belonging to the Corporation and shall, under the supervision of the Board, deposit the monies of the Corporation in its name and to its credit in such depository or depositories as may be designated by the Board. He or she shall invest all funds not needed for current disbursements, as may be directed by the Board; shall pay all bills of the Corporation and make all disbursements authorized by the Board of Directors (which authorization may be general), taking proper vouchers for such disbursements; shall keep full and accurate accounts of receipts and disbursements and shall keep a record of all financial transactions of the Corporation; shall notify the Secretary of all delinquencies by the members in the payment of dues, initiation fees, and assessments;

shall render a report of the financial condition of the Corporation to the Board of Directors at their regular meetings, and, to the members of the Corporation at their annual meetings; shall perform all other duties as may normally pertain to the office of Treasurer.

If required by the Board of Directors, the Treasurer shall provide a bond in such amount as may be designated, the cost of such bond to be paid by the Corporation.

ARTICLE XI – COMMITTEES

Section 1. Executive Committee. The Executive Committee shall be comprised of the President, Vice president(s), Secretary and Treasurer. The Executive Committee may exercise all powers of the Board of Directors during the interim between meetings of the Board in accordance with applicable law. The Executive Committee may act only between the regular meetings of the Board and only upon authority delegated by the Board. The Executive Committee may meet at the call of the President to advise the President.

Section 2. Special Committees. The President may appoint special, standing or ad hoc committees to assist the Board of Directors.

ARTICLE XII – ELECTION AND REMOVAL OF DIRECTORS

Section 1. Procedures.

1. Directors shall be nominated in accordance with policies created by the Executive Committee.
2. The Board will vote on nominees at the annual board meeting.

3. Nominees approved by a majority of the Board attending the annual board meeting shall be elected on approval of a majority of the members attending the annual meeting.

4. Directors may be removed from the Board at any time on a majority vote of the Board.

ARTICLE XIII – INDEMNIFICATION

The Corporation shall indemnify any Director or Officer made a party to an action by or in the right of the Corporation to the full extent permissible under sections 721 through 727 inclusive, of the Not-for-Profit Corporation Law of the State of New York. In any event, the Corporation shall indemnify its Directors and Officers to the fullest extent permitted by law.

ARTICLE XIV – FISCAL YEAR

The fiscal year of the Corporation shall end on the 31st day of December in each year.

ARTICLE XV – BYLAWS, AMENDMENTS

These bylaws and any amendments thereof may be amended, altered or repealed at any regular or special meeting of the members of the Corporation by a two-thirds vote of the members in good standing present entitled to vote, provided notice of such proposed amendment or repeal shall have been mailed to each member at his or her last known address at least ten (10) days before the date of such meeting, or,

alternatively, at any meeting of the Board of Directors by a vote of two-thirds of the Directors, provided notice of such proposed amendment or repeal shall have been mailed to each Director at least five (5) days before the date of such meeting. Within thirty (30) days after an amendment or repeal of the bylaws or any provision thereof by the Board of Directors, the Secretary shall notify each member of the Corporation of such amendment or repeal, either personally or by a letter mailed to him or her at his or her last known business address.