

ALABAMA CONSUMER FINANCE ASSOCIATION, INC.

BY-LAWS

ARTICLE I

Name

Section 1. The name of the corporation is **ALABAMA CONSUMER FINANCE ASSOCIATION, INC.**, hereafter referred to in these by-laws for convenience as the Association.

ARTICLE II

Objective

The purpose of the Association shall be the acquisition and accumulation of educational data pertaining to the business of extending credit by licensees of the Alabama Small Loan Act and Alabama Consumer Credit Act ("Mini-Code") among the members of the Association; and the dissemination among the members of this Association of information of an educational nature in such a manner as will: (1) create better public understanding and public relations; (2) develop higher business standards, decorum and ethics in the conduct of such business; (3) interchange ideas, methods and information in rendering mutual assistance, and (4) provide credit counseling with the general public.

ARTICLE III

Membership

Section 1. All persons, firms or corporations licensed by the State of Alabama under the Alabama Small Loan Act and Alabama Consumer Credit Act (Mini-Code), if found to comply with the spirit and objectives of the Association, shall be eligible for regular membership in the Association provided that any member with any ownership or management control in more than one location within the State of Alabama shall declare each such operation and pay dues thereon for each licensed location subject to a maximum assessment of membership dues for a member company to ten (10) locations regardless of the total number of multiple branches. By majority vote, the **EXECUTIVE COMMITTEE** of the Association is authorized to admit qualified Regular members or Associate non-voting members - any person, firm or corporation doing business with or who provides products and services to member companies of the Association - upon submission of a properly completed Application for Membership and payment of membership dues as established by the Board of Directors from time to time. Membership dues are on an annual basis but may be paid semi-annually as set forth in Section 8. *(Amended 10-06-03)*

Section 2. Every regular member of the Association shall be entitled to one vote per office location for matters coming before the general membership; provided that those members having in excess of three (3) office locations shall be entitled to no more than three (3) votes. Each member of the Board of Directors shall have one vote. Only regular members who are current in membership dues payment shall be entitled to vote. Only regular or associate members or honorary members and invited guests shall be entitled to attend committee, business, general membership, or executive sessions of the Association.

Section 3. The regular membership of any member of the Association is automatically terminated when the firm is no longer licensed under the Alabama Small Loan Act or Alabama Consumer Credit Act (Mini-Code), or as otherwise provided herein.

Section 4. In the event of termination of membership in the Association for any reason whatsoever, the retiring member forfeits the right to recover any part of dues or assessments used or unused, that may have been collected by the Association.

Section 5. Any member may resign at any time by filing a written notice of such resignation with the Secretary of the Association.

Section 6. Application for membership shall be in the form and manner prescribed by the Board of Directors, shall be in writing, shall state whether it is for Regular or Association Membership and shall include a roster of all office locations. The application for membership shall be forwarded to the EXECUTIVE COMMITTEE which shall review, investigate, and approve/disapprove all applications for membership in the Association. Any disapproval may be appealed to the Board of Directors. Upon approval by the EXECUTIVE COMMITTEE, the applicant firm shall be notified of such approval and pay membership dues as provided by the Board of Directors.

Section 7. Evidence of regular, associate, or honorary membership in the Association shall be by the issuance of a Certificate of Membership in such form as the Board of Directors may adopt. Each member firm shall be provided a current roster of member companies and the By-Laws of the Association, and be added to the mailing list of the Association.

Section 8. Membership dues for new members of the Association shall be payable upon advice of approval of membership by the Secretary and pro-rated for the remaining number of months in a (6) month cycle for each registered office location of the firm, subject to a maximum assessment of membership dues for ten (10) branch locations.

- (a) Regular and associate membership dues are calculated on an annual calendar year basis (Jan., 1 - Dec. 31) however, dues may be paid on a semi-annual basis. Annual membership dues shall be established by the Board of Directors and may be adjusted from time to time to meet the needs of the Association and provide for fiscal responsibility. Any such adjustment shall take effect on January 1 or July 1 of the year following action of the Board.
- (b) The Association shall provide for (15) day advance billing of continuing membership dues prior to January 1 and July 1 of each semi-annual period. Continuing membership dues are due and payable upon receipt but not later than (30) days from the due date (January 1 and July 1). Should the Association not be in receipt of continuing membership dues by January 31 or July 31 of the billing cycle, the Association shall issue a FINAL NOTICE of the amount due to the affected member. Should continuing membership dues not be received by the end of February or August of the billing cycle, the member shall be dropped from the roster and membership in the Association terminated. Appeal of termination of membership may be made to the Board of Directors within (30) days of any such termination for nonpayment. A member terminated for nonpayment may be reinstated by the Board of Directors upon the payment of all nonpaid dues. In the interim, from action of the Board and until the reinstatement of the member, all privileges of the Association shall be denied the expelled member.

Section 9. Membership in the Association shall not be transferable without the submission of an updated Membership Application and approval of the EXECUTIVE COMMITTEE within ninety (90) days of transfer of ownership interest in a member. The new ownership interest shall declare all other office locations in the State of Alabama which are not member locations of the Association. Membership

dues must be in current status. Failure of the new ownership to meet the complete requirements of this section within (90) days of transfer of ownership shall automatically terminate the membership in the Association. Approval action for transfer of membership requested by the new ownership shall be made to the Association through the EXECUTIVE COMMITTEE. Appeal of such action may be made to the Board of Directors within (30) days of the action taken; otherwise, the action shall be considered final.

Section 10. Any person, who has previously been a member of the Association in good standing but who is no longer actively engaged in lending activities under the Alabama Small Loan Act, the Alabama Consumer Credit Act (Mini-Code), or as an Associate Member, may, upon application and acceptance by the Board of Directors, be elected an Honorary Member of the Association. Such membership shall entitle person to attend meetings, programs, and conventions of the Association, and shall require the payment of membership dues, as established by the Board of Directors, but Honorary Members shall not have the right to vote or hold office.

Section 11. In recognition of all Past Presidents of the Association, for service to the Association and the consumer finance industry, but who are no longer licensed under the Alabama Small Loan Act or Alabama Consumer Credit Act (Mini-Code) and are not directly associated with a licensee of the Alabama Department of Banking or Bureau of Loans, the Board of Directors may elect him/her an Honorary Life Member of the Association dues free. An Honorary Member shall be authorized and solicited to attend all meetings for the general membership and conventions. If an Honorary member is reactivated as a licensee or otherwise involved in lending under the Alabama Small Loan Act or Alabama Consumer Credit Act (Mini-Code), his/her Honorary Membership shall be terminated. The Honorary Member shall not have the right of vote or to hold office.

ARTICLE IV

Annual Meeting

Section 1. The ANNUAL MEETING of the members shall be held at such place either within or outside Alabama, as the Board of Directors shall determine. The ANNUAL MEETING shall be held for the purpose of electing Officers and Directors and for the transaction of such other business matters as may come before the meeting. Failure to elect Officers and the Board of Directors at the ANNUAL MEETING shall not cause a dissolution of the Association, but the Officers and Directors thereof shall continue to hold office until their successors are elected and qualified. A Special Meeting for the purpose of holding such election shall be called as soon thereafter as convenient.

Section 2. Special meetings of the members, for any purpose unless otherwise prescribed by statute, may be called by the President, by the Board of Directors or by members having one-twentieth of the votes entitled to be cast at such meeting.

Section 3. Written or printed notice stating the place, date and hour of the meeting and, in case of a special meeting, the purpose or purposes of the meeting, shall be delivered not less than (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by the direction of the President or the persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to have been given when deposited in the United States mail, addressed to the member at the member's address as it appears on the membership records of the Association, with postage thereon prepaid.

Section 4. The Secretary shall keep on file an updated roster of the members in good standing and entitled to vote at such meetings. The roster shall be updated as new members are added and memberships are terminated for nonpayment or cause. Distribution of the roster to the General Membership shall be made by the Association at least on a semi-annual basis. The Association shall make the roster available for inspection by any member during the entire time of any Association meeting. The original membership

records shall be prima facie evidence as to who are members entitled to examine the membership roster or records or to vote at any meeting of the Association.

Section 5. A majority of members (maximum of (3) votes per ownership interest in current multiple office locations) entitled to vote, represented in person or by proxy, by at least one employee of a member, shall constitute a quorum at a general membership meeting of the members. No business may be transacted without a quorum present. Any business may be transacted at any meeting of the members at which a quorum is present. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting and entitled to vote on the subject matter shall be the act of the members.

Section 6. A member may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. The proxy shall be voted only for the meeting specified in said proxy and in no event shall a proxy be valid after (11) months from the date of its execution, unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the member executing it and is revocable by the termination of membership of the member executing it. All proxies shall meet the requirements of Section 10-3A-3(b) of the Alabama Code and a copy shall be on file with the Secretary of the Association prior to the beginning of any meeting.

Section 7. Any action required or permitted to be taken at any meeting of the members may be taken without a meeting, if prior to such action a written consent thereto is signed by all the members entitled to vote thereon, and if such written consent is filed with the minutes of proceedings of the members.

ARTICLE V

Board of Directors

Section 1. All powers and functions of the Association shall be vested in the Board of Directors, unless provided by statute or Articles of Incorporation, and the members of the Association agree to be bound by the action of the Board. The Board of Directors, at its discretion, may require any officer whose duty it is to handle funds of the Association to make bond with such company and in such amount as the Board of Directors may designate. The Board of Directors, at its discretion, may contract with an insurance carrier for liability and E&O insurance. Such bond and insurance shall be paid by the Association.

(a) The Board of Directors is hereby vested with the powers to fix the dues for membership and to change or alter the same from time to time, to make assessments against the members from time to time for such funds as may be required to carry on the functions of the Association, and to provide for the expulsion of members failing to comply with these By-Laws or any rules and requirements of the Board;

(b) The Board of Directors shall be empowered to employ counsel, an Executive Director, and such special agents as in its judgment are necessary or proper to represent the Association and perform any function thereof and shall fix their compensation; provided, however, that the Executive Committee has first investigated and recommended to the Board such employment and compensation. The Board of Directors shall re-authorize any such continuing or new contractual agreements/ arrangements at the first scheduled Board meeting following the election of the Board of Directors at the ANNUAL MEETING.

(c) The Board of Directors shall be required to approve all expenditures of the Association and no expenditure, unless approved by the Board, shall be binding upon the Association; provided, however, the Secretary/Treasurer shall have the authority to expend monies for reoccurring budgeted expenses already approved by the Board; provided further, however, the

President and Secretary/Treasurer shall have the authority to approve in writing and expend monies on behalf of the Association for daily general operating expenses as authorized by the Board of Directors from time to time. All disbursement checks of the Association shall bear the signature and approval of the President and Secretary/Treasurer as authorized by the Board of Directors.

(d) The number of Directors constituting the Board of Directors shall be fixed by the members at the ANNUAL MEETING, or at any special meeting called for that purpose, and such number so fixed shall continue to be the number of Directors until changed by the members, pursuant to this Section; provided, however, that no decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. The number of Directors shall be fixed at a maximum of (20) including the President of the Association who shall also serve as the Chairman of the Board. The Board of Directors shall be elected annually by the members at the ANNUAL MEETING, and shall hold office at the pleasure of the members and until respective successors are elected. Directors need not be residents of the State of Alabama.

Section 2. A regular meeting of the Board of Directors shall be held immediately after, and at the same location as, the Annual Meeting of the members. The Board of Directors may, by resolution, provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 3. Any vacancy occurring in the Board of Directors may be filled for the unexpired term by the remaining Directors or by the members at any meeting of the Board of Directors or the members. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an ANNUAL or special meeting of the members called for that purpose. The members may remove any Director or the entire Board of Directors, with or without cause, at a meeting of the members expressly called for that purpose, by a majority vote of the members present at said meeting.

Section 4. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors.

Section 5. Meetings may be held with or without notice as provided by Section 10-3A-39 of the Alabama Code, however, if notice is directed, or otherwise provided in these By-Laws, notice of meetings, both regular and special, shall be given not less than (5) days in advance of such meeting. Such notice may be by mail, telegram, telephone, FAX, electronic voice mail, or may be verbal. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed for the member's last known address, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted, or the purpose of, any regular or special meeting of the Board of Directors need not be specified in the notice or waiver of notice of such meeting.

Section 6. A majority of the Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum is present when a meeting is convened, the Directors present may continue to do business, taking action by a vote of the quorum, until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum, or the refusal of any Director present to vote.

Section 7. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if prior to such action a written consent thereto is signed by all members, or in the case of a teleconference Board Meeting, the members present concur by written consent thereto which is attached to the minutes of the proceedings of the Board and is filed with the Secretary of the Association.

ARTICLE VI

Officers

Section 1. The General Membership of the Association, at the annual meeting, by recorded written ballot, shall elect a President and Secretary as required by Section 10-3a-41(a) of the Alabama Code; a Treasurer, Executive Vice President and Vice President; and from time to time the Board of Directors may appoint such other agents and employees as it may deem proper. Any two offices may be held by the same person, except the office of President and Secretary, or President and Treasurer.

Section 2. The term of office of all officers shall not exceed (3) years as provided by Section 10-3a-41(a) of the Alabama Code, and if elected to terms less than (3) years, until their respective successors are elected and qualified. Any officer may be removed from office, either with or without cause, at any time by the affirmative vote of a majority of the members of the Board of Directors then in office. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors.

Section 3. The officers of the Association shall have the following powers and duties:

(a) **President:** The President shall be the principal executive officer of the Association and shall have in his or her charge the general direction and promotion of its affairs with authority to do such acts and to make such contracts as are authorized by the Board of Directors and necessary or proper to carry on the activities of the Association. The President shall preside over all official meetings of the Association, including serving as Chairman of the Board at all Board of Directors meetings. The President shall appoint all committees, and be an ex-officio member of all committees, standing or special. The President shall also perform those duties which usually devolve upon a President of a corporation under the laws of the State of Alabama. The President may, during the absence of any officer, delegate, such officer's duties to any other officer or director.

(b) **Executive Vice President:** In the absence or disability of the President, the Executive Vice President shall perform the duties of the President and shall perform such other duties as may be delegated to him or her from time to time by the President or Board of Directors. The Executive Vice President shall bear primary responsibility for coordinating legislative activities of the Association.

(c) **Vice President:** In the absence or disability of the President and Executive Vice President,
the Vice President shall perform the duties of President, and shall perform such other duties as may be delegated to him or her from time to time by the President or the Board of Directors. The Vice President shall bear primary responsibility for education opportunities for the Association.

(d) **Secretary:** The Secretary shall keep the minutes of all meetings, shall maintain a current roster of the membership including original membership applications and documentation, shall have charge of the Seal of the Association, if any, and shall serve as custodian of all Association records. The Secretary shall make such reports and perform such duties as are incident to his or her office or which may be delegated to him or her by the President or Board of Directors.

(e) **Treasurer:** The Treasurer shall render to the President and Board of Directors at such times as may be requested or scheduled an account of all transactions of the Treasurer and of the financial condition of the Association including, but not limited to, Quarterly Income and Expense Statements and an Annual Statement of Condition. The Treasurer shall have the responsibility of timely filings of all required returns with local, state or federal authorities, and other filings to insure the status of the Association is retained, and to achieve this result, the Treasurer is

authorized to retain legal or accounting counsel as needed. The Treasurer shall receive and deposit to the account of the Association, in the depository of the Association, all incomes and receipts of the Association as directed by the Board of Directors. The Treasurer shall perform such other duties as are incident to the office or as may be delegated to that office by the President or by the Board of Directors.

ARTICLE VII

Compensation

The Officers and Board of Directors of this Association shall receive no compensation for their services rendered. They may, however, make payments for such clerical assistance, employ an Executive Director of the Association, and for such professional services as they deem necessary for the conduct of the affairs of the Association. Under no circumstances shall the Association make loans to Officers and Directors nor shall any Association funds be diverted for personal use. The Association may amend this Article, as provided in the By-Laws, to provide compensation in a reasonable amount under Section 10A-44 of the Alabama Code.

ARTICLE VIII

Contracts

The Board of Directors, except as otherwise provided in these By-Laws, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose or to any amount. Any continuing contract, agreement, or arrangement shall be re-authorized by the Board of Directors at the scheduled Board Meeting following election of the Board of Directors at the Annual Meeting.

ARTICLE IX

Nominating Committee

The Nominating Committee shall consist of not less than three and not more than five members. It shall be the duty of the committee to nominate regular members in good standing as candidates to be elected members of the Board of Directors and Officers of the Association and the committee's recommendations shall be published to the membership at least thirty (30) days prior to the Annual Meeting of the Association. Nothing herein contained shall be construed to prevent nominations from the floor for election of members of the Association in good standing. Upon closing of the nominations, the election of the members of the Board of Directors and Officers shall proceed in accordance with these By-Laws at the Annual Meeting. The Nominating Committee shall be appointed by the President of the Association.

ARTICLE X

Executive Committee

The Executive Committee shall be comprised of the President, Executive Vice President, Vice President, Secretary and Treasurer.

ARTICLE XI

Investments

The Association shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a trustee is or may hereafter be permitted by law to make, or any similar restriction, provided, however, that no action shall be taken by or on behalf of the Association if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 501 of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

(a) The Treasurer is hereby authorized to maintain Association operational funds in a Federally insured interest bearing DEMAND account, and any excess funds above \$10,000.00 in the Operational Account may be deposited in a Federally insured Certificate of Deposit or Money Market Account with a maturity not to exceed twelve (12) months with approval of the Executive Committee.

(b) The Board of Directors may provide for a RESERVE balance of Association funds below which such funds may not be depleted without authorization of the Board and/or Special Assessment be made of the membership by the Board of Directors.

ARTICLE XII

Amendments

These By-Laws shall not be altered, amended or repealed unless by and with the consent and approval of a majority of the Board of Directors and subsequently confirmed by two-thirds (2/3) vote of the members in attendance at a regular or special meeting; provided, however, that notice of such proposed amendment, alteration, repeal, or addition has first been given by the Association at least ten (10) and no more than fifty (50) days prior to such meeting to each regular member of the Association.

ARTICLE XIII

Exempt Activities

Notwithstanding any other provision of these By-Laws, no Director, Officer, employee or representative of the Association shall take any action or carry on any activity by or on behalf of the Association not permitted to be taken or carried on by an organization exempt under the applicable Section of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

ARTICLE XIV

Fiscal Year

The Fiscal Year of the Association shall be from January 1 through December 31 of each calendar year, or as the Board of Directors may determine, in accordance with all applicable provisions of the Internal Revenue Code of 1986, as amended.

ARTICLE XV

Designation of Employees

No party other than the Association shall have the right to designate by name or description the individual who is to perform any professional services for the Association. The Association shall not enter into any contracts, whether oral or written, unless authorized by the Board of Directors or designee, which designate, by name or by description, any individual who is to furnish any professional services for the Association. The Board of Directors may appoint and fix compensation for such agents and representatives or Executive Director of the Association with such powers and to perform such tasks or duties on behalf of the Association provided, however, that the Executive Committee has first investigated and recommended to the Board of Directors such employment and compensation, and so far as may be consistent with these By-Laws, to the extent authorized or permitted by law.

ARTICLE XVI

Statement of Policy

No public statement in the name of or on behalf of the Association shall be issued by an Officer, Director, employee, or member unless it has been previously approved in writing by the Board of Directors of the Association.

ARTICLE XVII

Parliamentary Authority

Robert's Rules of Order (Revised) shall be accepted as the authority governing the conduct of the procedures of the Association not otherwise provided for in these By-Laws.

CERTIFICATION

I, GLENN BROTHERS, President of **ALABAMA CONSUMER FINANCE ASSOCIATION, INC.**, hereby certify that the above and foregoing constitutes a true and correct copy of the By-Laws of the **ALABAMA CONSUMER FINANCE ASSOCIATION, INC.**, as approved by the Board of Directors on NOVEMBER 20, 2000 and subsequently approved by two-thirds (2/3) vote of the General Membership on NOVEMBER 20, 2000 and that all provisions are in full force and effect and have not been revoked or rescinded.

DATED: NOVEMBER 20, 2000

ALABAMA CONSUMER FINANCE ASSOCIATION, INC.

Glenn Brothers
President GLENN BROTHERS

