

**NORTH TEXAS MODEL INVESTMENT CLUB
DALLAS CHAPTER-BETTER INVESTING**

BY-LAWS

1. **Definition of this Model Investment Club:** This is a model club; therefore, open to observation by those who would wish to learn how to form and operate a successful investment club in accordance with the methods and principles of BetterInvesting (BI). This Partnership, which began September 1, 2006, is incorporated herein and made part hereof by reference.
2. **Prerequisite for Membership:** The Model Investment Club members may be any person who is interested, willing to participate and maintain a membership in BetterInvesting. When consideration is given to adding Partners to the Model Investment Club under Paragraph 8 of the Partnership Agreement, preferential consideration shall be given to those who are currently active within the Dallas Chapter of BetterInvesting. Anyone considered for membership shall have attended a minimum of two (2) regularly scheduled meetings of the Model Investment Club within six months to become eligible for membership.
3. **Duties of Partners:** All Partners are expected to devote time for study and be willing to accept responsible positions in the Model Investment Club.
4. **Duties of Officers:** It shall be the duty of all officers to ease transitions by assisting their successors in any way possible and by turning over all pertinent records and materials to their successors.
5. **Terms of Office:** Officers elected at the yearly meeting in September shall serve from October 1 to the following September 30. The Nominating Committee shall present a slate of officers at the August meeting with elections to be held during the September meeting.

The Vice President shall assume the duties of the President until the next election if the President cannot fulfill his/her duties. If any of the other officers cannot fulfill his/her duties, the Nominating Committee shall present a nominee and an election shall be held to fill the position for the balance of the year.

6. **Elected Officers:** Officers, elected annually by a two-thirds (2/3) majority vote, shall consist of a President, Vice President, Secretary, Assistant Secretary, Treasurer and Assistant Treasurer. Officers are elected for a one (1) year term and may succeed themselves in office upon re-election; however, the President cannot serve more than three (3) consecutive years. These officers shall constitute the Executive Committee.

(a) President:

1. The President shall be a leader, guide, planner and worker.
2. The President shall preside at and create an agenda for meetings.
3. The President shall determine whether or not a quorum is present in order to conduct business.
4. The President shall oversee all Model Investment Club activities.

5. The President shall appoint committees to carry out the duties of the Model Investment Club for the ensuing year and shall submit a list of these appointments by the November meeting.
6. The President shall appoint the Parliamentarian.
7. The President shall serve as an ex-officio, non-voting member of all committees, and shall be invited to all committee meetings.
8. The President shall serve as the Chair of the Executive Committee.
9. The President shall not vote on any business brought before the Model Investment Club except to cast the deciding vote in the event of a tie.
10. The President shall attend the Dallas Chapter of BetterInvesting meetings, regardless of whether he/she is a current Director or Associate Director, and report Chapter activities at the next regularly scheduled meeting of the Model Investment Club.
11. The President, with the help of the Executive Committee, shall develop a procedure to make the community aware of the Model Investment Club and to ensure that individuals and investment clubs are invited to attend and observe.
12. The President shall introduce all guests attending the meetings and make sure they are contacted after the meeting to obtain feedback and to determine if additional assistance could be provided.
13. The President may sign checks as one of the two (2) signatures required as per Paragraph 19 of the Partnership Agreement.

(b) Vice President:

1. The Vice President shall assume the duties of the President when he/she is absent or temporarily unable to serve.
2. The Vice President shall assume the duties of the President until the next election if the President cannot fulfill his/her duties.
3. The Vice President shall assign Partners to make reports at regularly scheduled meetings and shall be responsible for planning and ensuring that the study program is properly executed.
4. The Vice President shall serve on the Executive Committee.

(c) Secretary:

1. The Secretary shall notify all Partners of special meetings and other activities.
2. The Secretary shall keep minutes of all special and all regularly scheduled meetings of the Model Investment Club and following each meeting shall post a copy of the minutes in the Club's web site..
3. The Secretary shall serve on the Executive Committee, keep minutes of meetings and read these at the next regularly scheduled meeting of the Model Investment Club.
4. The Secretary shall keep a record of each Partner's attendance at all meetings and include this in the minutes.
5. The Secretary shall ensure that all records including committee reports and all other matters pertaining to the operation of the Model Investment Club and past secretarial records of the Model Investment

Club, i.e., minutes, correspondence, attendance records, etc. are kept on the club's on line web site.

6. The Secretary shall Chair the Partnership Agreement – By-Laws Committee and, if changes are made, prepare an updated copy for each Partner.
7. The Secretary shall provide written communications to the Partners as directed by the President.
8. Each year, the Secretary shall verify with the Dallas Chapter of BetterInvesting that all Partners of the Model Investment Club are in good standing with Better Investing.
9. The Secretary shall notify each Partner of the next regularly scheduled meeting of the Model Investment Club.

(d) Assistant Secretary:

1. The Assistant Secretary shall assist the Secretary in any duties as needed and shall take the place of the Secretary when he/she is absent.

(e) Treasurer:

1. The Treasurer shall be in charge of all funds collected and disbursed by the Model Investment Club
2. The Treasurer, using an on-line club accounting program, shall maintain a set of books covering the financial operations and assets, and prepare and distribute a monthly valuation statement to each Partner.
3. The Treasurer shall place buy and sell orders authorized by the Partners with the Model Investment Club's broker.
4. The Treasurer shall compile the needed tax information, file the necessary reports and maintain tax and financial records.
5. The Treasurer shall ensure that financial records of the Model Investment Club, i.e., valuation statements, treasurer's correspondence, bank statements, etc are kept on the club's on-line web site.
6. The Treasurer shall serve on the Executive Committee.
7. The Treasurer shall not serve as a member of the Audit Committee.

(f) Assistant Treasurer:

1. The Assistant Treasurer shall assist the Treasurer in any duties as needed and shall take the place of the Treasurer when he/she is absent.
2. The Assistant Treasurer may sign checks per Paragraph 19 of the Partnership Agreement.
3. The Assistant Treasurer shall serve on the Executive Committee.

7. Parliamentarian:

- (a) The Parliamentarian shall rule on procedural matters according to the Partnership Agreement, By-Laws and Robert's Rules of Order. In the event of a conflict, the ruling of the Parliamentarian shall be final.
- (b) The Parliamentarian shall serve on the Partnership Agreement – By-Laws Committee.
- (c) The Parliamentarian is appointed by the President.

8. Committees:

(a) Executive Committee:

1. The Executive Committee shall consist of all elected officers of the Model Investment Club and shall hold meetings at the call of the President.
2. When the Executive Committee meets, minutes shall be kept by the Secretary and read at the following regularly scheduled meeting of the Model Investment Club.
3. The Executive Committee shall be responsible for ascertaining that the community is aware of the Model Investment Club and of inviting individuals and investment clubs to be guests at the regularly scheduled meetings.
4. The Executive Committee shall appoint an Audit Committee in accordance with Paragraph 8(c).
5. The Executive Committee shall evaluate a Partner's absences after the third occurrence and make the decision of whether or not to seek a termination as outlined in Paragraph 12.

(b) Nominating Committee:

1. The Nominating Committee shall consist of a Chair and two (2) other Partners to be appointed by the President in July. It shall be the duty of the Nominating Committee to present a slate of officers at the August meeting to be voted on during the September meeting. During the election, nominations may also be taken from the floor with the prior consent of the nominee.
2. No Partner may serve on the Nominating Committee for two (2) consecutive years.

(c) Audit Committee:

1. The Executive Committee shall designate three (3) Partners to audit the financial records of the Model Investment Club at the close of each fiscal year and whenever a new Treasurer or Assistant Treasurer takes office.
2. The Audit Committee shall be responsible for reviewing and verifying the financial transactions of the Model Investment Club, and must provide a written report stating their opinion as to the completeness, accuracy, and correctness of the financial records.
3. The Audit Committee may also make recommendations relating to the procedures, treatment, and handling of financial transactions and records of the Model Investment Club.

(d) Partnership Agreement – By-Laws Committee:

1. This Committee shall meet on odd-numbered years, or as needed, to review the Partnership Agreement - By-Laws and to make recommendations to the Partners, if changes are needed.
2. Any proposed changes must be submitted to all of the Partners in writing at least thirty (30) days prior to the next regularly scheduled meeting.
3. Upon a two-thirds (2/3) majority vote by the Partners to make changes to the Partnership Agreement or the By-Laws, the Secretary shall

submit these changes in writing to the President and Secretary of the Dallas Chapter of BetterInvesting with a request for Chapter approval.

4. The Secretary shall Chair the Partnership Agreement – By-Laws Committee.
5. The Parliamentarian and the Executive Committee shall serve as members of the Partnership Agreement – By-Laws Committee.

(e) Other Committees:

1. The President may appoint any ad-hoc committees that he/she deems necessary to carry out the work of the Model Investment Club.

9. Regularly Scheduled Meetings: The Model Investment Club shall have regularly scheduled monthly meetings at a time and place agreed to by the members.

10. Special meetings: The President may call special meetings upon at least a seventy-two (72) hour notice to the other Partners.

11. Meeting Agendas: The President shall be responsible for the agenda of the meetings which includes roll call, introduction of guests, approval of the previous minutes, treasurer's report, correspondence, reports of committees, update of Dallas Chapter of BetterInvesting activities, unfinished business, new business and announcements.

12. Attendance: It is the responsibility of all Partners to attend all special and regularly scheduled meetings and to inform the President in advance should any conflict arise necessitating an absence. Any Partner who is absent from three (3) consecutive regularly scheduled meetings or who is in arrears in contributions for three (3) consecutive months, shall be evaluated before the next regularly scheduled meeting by the Executive Committee. The Executive Committee, by a two-thirds (2/3) majority vote, shall decide whether or not to recommend to the Model Investment Club that the Partner should be terminated.

(a) If the decision of the Executive Committee is to issue a warning rather than to seek a termination, the Secretary shall send a written notice to the Partner as to the conditions that must be met in order to remain in the Model Investment Club.

(b) If the Executive Committee recommends a termination, this shall be placed on the agenda of the next regularly scheduled meeting to be voted on by the remaining Partners. Upon a two-thirds (2/3) majority vote by the Partners for termination, the Secretary shall inform the Partner, by registered mail, of this decision and the withdrawal process shall commence immediately. The terms of payment for a withdrawal shall be treated in accordance with Paragraph 23 of the Partnership Agreement.

13. Leave of Absence: Any Partner requesting a leave of absence must submit a valid reason, in writing, to the President. This request shall be placed on the agenda of the next regularly scheduled meeting at which time the remaining Partners shall either approve or deny the leave of absence with a two-thirds (2/3) majority vote. If the request is denied, the Partner shall be asked to resign.

A leave of absence shall not be approved for more than a three (3) month period. At the end of (3) months, the Partner may request an additional three (3) month

extension which shall again be approved or denied by a two-thirds (2/3) majority vote of the remaining Partners. The total leave of absence cannot exceed nine (9) months. If the Partner is not reinstated after nine (9) months, the President shall initiate the process for termination. A Partner on leave shall not be included in the determination of a quorum as his/her voting rights shall be suspended during that period of time.

A Partner on leave shall be required to remit monthly dues to the Treasurer prior to the date of the meetings. Failure to do so in a timely fashion may result in termination of the Partner.

14. **Participation:** Organizations with passive investors are considered mutual funds by the Internal Revenue Service (IRS) and are subject to additional regulations and costs. Therefore, if participating standards are not met, membership may be terminated by a two-thirds (2/3) majority vote of the remaining Partners.
15. **Study Assignments:** An investment strategy conforming to Better Investing philosophy shall be developed to set goals and objectives for the Model Investment Club. These strategic plans shall be modified as deemed necessary by the Partners.
16. **Quorum:** A quorum shall consist of fifty percent (50%) plus one of the membership excluding those Partners who have been granted a leave of absence. To establish a quorum, a Partner must be physically present. A Partner may not vote by proxy.
17. **Voting:** Each Partner shall have one (1) vote.
18. **Guests:** Because this is a model club, meetings shall be open for observation by BetterInvesting members, non-BetterInvesting members and/or investment clubs. Potential Partners, who meet the membership qualifications as per Paragraph 8 of the Partnership Agreement, may also be invited to attend.
19. **Monthly Statements:** The Treasurer shall prepare a monthly valuation statement in accordance with the Capital Accounts, Paragraph 10, and Valuation, Paragraph 11 of the Partnership Agreement. In maintaining the records of each Partner's capital account in the Model Investment Club, the unit value method shall be used as outlined in the *Official Guide from the National Association of Investors Corporation, "Starting and Running a Profitable Investment Club."*
20. **Contributions:** Upon formation of the Model Investment Club, each Partner shall make an initial contribution of one hundred (\$100). All new Partners shall make an initial contribution of one hundred dollars (\$100). Couples may join and be treated as one Partner, with one maintaining an active BetterInvesting membership.

Each calendar year a Partner must contribute a minimum of \$600. New Partners must contribute a minimum of \$50 a month for the number of months in the year that they are members. This contribution can be paid in a single check or in multiple checks.

Each year all Partners shall pay a twelve dollar (\$12.00) payment for operating expenses in October. New Partners shall be assessed a pro-rated operating cash fund fee upon joining the Model Investment Club. Additional fees may be collected

from each Partner for BI or investment related materials plus Partners can be assessed additional fees as needed.

21. **Fiscal Year:** The fiscal year shall be January 1 through December 31.

22. **BetterInvesting Membership:** Since this Model Investment Club is sponsored by the Dallas Chapter of BetterInvesting, all Partners must be members in good standing of BetterInvesting, either individually or by club membership. Each year the Secretary shall check the records of the Dallas Chapter of BetterInvesting to verify BI membership. Failure to pay the yearly membership service fee shall be cause for termination from the Model Investment Club.

23. **Review of Documents:** The Partnership Agreement and By-Laws shall be reviewed on odd-numbered years, or more frequently as needed. Any changes in either of the documents shall require a two-thirds (2/3) majority vote of the Partners plus approval of the Dallas Chapter of BetterInvesting.

These By-Laws were accepted by the Partners of the Model Investment Club on _____/_____/_____.

Secretary: _____