



EP Investment Club Bylaws

I. DEFINITIONS

- a. "EPIC" means EP Investment Club, formed as a General Partnership on 9/8/2009 and more fully described in the Partnership Agreement.
- b. "Partner" or "Partner of the EP Investment Club" shall mean a General Partner of the EP Investment Club.

II. OFFICERS

- a. EPIC officers may consist of President, Vice President, Secretary, and Treasurer.
- b. Duties of the Officers will include, but not be limited to, the following;

The PRESIDENT shall:

- i. Appoint committees
- ii. Oversee all EPIC activities
- iii. Preside over the EPIC meetings
- iv. Have the power to create and conduct an agenda for all meetings
- v. Have the authority to enforce or waive formalities of such an agenda
- vi. Have the power to recommend disciplinary action to any Partner who, in the opinion of an EPIC Partner, is considered to have acted contrary to the provisions of these Bylaws or has displayed negligence in the performance of duties or expectations.
- vii. Ensure that all resolutions passed by the Partnership are carried out

The VICE PRESIDENT shall:

- i. Assume the duties of the PRESIDENT when absent or unable to serve the office
- ii. Coordinate the education program for the Partnership
- iii. Coordinate the research activities of the Partnership of which all Partners are part
- iv. Be responsible for the activities, progress, and reports of all committees that are formed
- v. Keep a file of all stock reports made by the Partners.

The SECRETARY shall:

- i. Keep a record of EPIC business and issue a report of all meetings
- ii. Be responsible for all correspondence pertaining to EPIC, including the distribution of reports from meetings, officers and committees
- iii. Keep a record of attendance for regular and special meetings
- iv. Upon notification by the PRESIDENT or the TREASURER, the SECRETARY will issue a



- notice to any Partner regarding any fines or disciplinary action, and include the reason and decision for the action
- v. Keep copies of all EPIC correspondence
- vi. Tally and record all votes
- vii. Update and distribute bylaws as changes are made

The TREASURER shall:

- i. Keep record of all EPIC financial activities
 - ii. Calculate and distribute valuation statements each month and any other statistical reports required
 - iii. Maintain records accounting for the EPIC financial operations, assets, and individual account value
 - iv. Be responsible for filing the Investment Club's tax return and for providing each Partner with their required individual income tax information on the appropriate IRS forms
 - v. Distribute and collect funds
 - vi. Be responsible for all cash and broker transactions, the collection of dues, processing withdrawals, and notifying the SECRETARY of Partners in default of dues
- c. At the meeting preceding the Annual Meeting, the president shall call for nominations from the Club for all Officer positions. The Officers shall assume their responsibilities upon the adjournment of the meeting in which they are elected.
- d. Officers shall be elected by the Partnership upon approval of the Partnership Agreement, and at each Annual Meeting thereafter. Officers may succeed themselves upon re-election.
- e. Any Officer position that becomes vacant during the year shall be filled as soon as possible upon appointment by the remaining officers. If no Officers remain, the Partners shall by mutual agreement call for a special meeting with the sole purpose to elect new Officers.
- f. An Officer will be automatically disqualified and immediately removed from office under any of the following conditions:
- i. The Officer becomes an Inactive Partner, as defined below
 - ii. The Officer is removed from the Partnership
 - iii. The Officer dies or is incapacitated
 - iv. The Officer is deemed by majority vote of the Partners to have committed a Forbidden Act
 - v. The Officer is deemed by a two-thirds vote of the Partners to have failed to discharge the duties of the Office, or to have discharged them improperly



III. PARTNERS

- a. All EPIC Partners shall participate in ongoing activities of the EP Investment Club by:
 - i. preparing and posting analyses or other assignments to further the investment endeavors of the EP Investment Club
 - ii. regularly contributing constructive comments about EPIC operations and investment opportunities
 - iii. making regular payments to the EP Investment Club
 - iv. keeping current postal address, email address, and phone number on file with the Secretary at all times
 - vi. reviewing monthly and year-end EPIC reports, including all financial and tax-information reports, research and assignments
- b. The Club will adhere to any restrictions or policies that Club members' employers may mandate of their employees. This may restrict the Club from investing in certain securities or require the Club to obtain certain approvals before investments are executed.

IV. PROCEDURES

- a. Regular meetings shall be held monthly at a location agreed upon by EPIC. E-mailed notices shall be sent to each Partner at least one week in advance of the meeting. The regular meeting date or time may be changed by the President on a meeting-by-meeting basis.
- b. February is designated for the Annual meeting. At the Annual meeting all Partners will be issued the Annual Report and EPIC elections will be conducted. The Secretary will give notice to the Partnership as to the time, date, and location of the Annual Meeting for the election of Officers to the entire Partnership and other administrative voting as deemed necessary.
- c. Should a member fail to be able to attend the meeting, they may cast an absentee vote by emailing their vote in to the Secretary.
- d. Special meetings may be called by the President, any two officers of the EP Investment Club, or by a majority of the Partners, upon verbal or written notice to the Partners of the EP Investment Club.
- e. The Club may only transact business when a quorum is present. A quorum is defined as the presence of 3 of the active Partners of the EP Investment Club including at least 1 Officer of the EP Investment Club.

V. VOTING

- a. The right to vote is limited to active Partners.
- b. Voting shall be carried by a dual vote calculation unless specified otherwise, wherein a single vote takes place but is calculated as one-person one-vote and a weighted majority of the active Partners. In order for the vote to pass, it must



achieve the required percentage in accordance with both vote calculation methods. This will usually mean obtaining greater than 50% with both simple and weighted voting unless stated otherwise in the bylaws.

- c. When determining investment decisions a different form of voting is applied. Once all investment proposals have been presented to the group the members will rank the proposals with their preferred proposal receiving the highest number. Once the Secretary has tabulated the rankings, a second vote will take place with the 2 highest ranked securities and “cash” or a vote for no purchase. The proposal with the highest ranking will then be acted upon.
 - i. In the case where a proposal affects 50% or more of the Club’s total value then any member has the right to ask for a weighted vote majority before the vote is acted upon
- d. The valuations needed to conduct the weighted ballot voting shall be determined by the previous month’s valuations.
- e. No proxy votes will be allowed. However, absentee voting will be allowed provided that the absentee vote(s) are received by the time the actual vote takes place.
- f. In the case of a tie a second vote takes place in an attempt to break the tie.
- g. In the case of weighted voting, no member can carry a weight greater than 25%. If a member owns greater than a 25% share then any amount greater than 25% will not be included when calculating weight values for each member.

VI. GUESTS AND NEW PARTNERS

- a. Partners are permitted to invite guests to attend regularly scheduled meetings with prior approval by the President..
- b. Guests are required to actively participate in EPIC discussions and activities for one month before consideration is given to adding the guest to the EP Investment Club.
- c. The goal of EPIC is to grow our Partnership with the same care and scrutiny as we grow our portfolio. The number of Partners shall be limited to Twenty-one (21). Should the limit be reached and other interested parties wish to join, a waiting list will of prospective Partners shall be maintained by the Secretary.
- d. The prospective partner shall complete an application which will be circulated to all partners for review. In addition, a prospective partner will be sponsored by a current partner in good standing, and the sponsoring partner must feel comfortable vouching for the prospect’s ability to fit in.
- e. The acceptance of a new partner requires a vote that achieves two-thirds simple and weighted majority in favor of adding that partner.



- f. Upon acceptance, it will be the Partner's responsibility to join www.Stockcentral.com and the associated annual fee of \$40.00 will be independent of any Club expenses.

VII. CONTRIBUTIONS

- a. Initial Contribution
 - i. New Partners are required to contribute a \$300.00 initial contribution
 - ii. \$250.00 will fund the new Partner's capital account
 - iii. \$50 annually, will fund future and previously incurred Club expenses
- b. Monthly Contribution
 - i. The minimum monthly contribution is \$50.00
 - ii. Contributions greater than the minimum are allowed in \$25.00 increments
 - iii. If a Partner intends on being absent, notification to the Secretary and advance payment to any officer is required

VIII. INVESTMENT GUIDELINES

- a. If available at no cost, the Club shall instruct the broker to automatically reinvest dividends in the stock generating the dividends.
- b. Once the Club's assets reach \$10,000, no more than 25% shall be invested in any one market sector. Market sectors shall be as defined by Morningstar.
- c. The Club shall not invest on margin.
- d. Investments for consideration should be brought to the President's attention before the meeting in order to be placed on the agenda. On the meeting date, copies of all relevant information; Stock Report, SSG, and Value Line should be provided to all attendants.
- e. The Club shall vote on investment decisions in \$500 increments.
- f. These guidelines may be waived on individual transactions upon a vote of the Partners.
- g. All investments must be held for a minimum of 30 days.



h.

IX. FINANCIAL STATEMENTS

- a. A monthly valuation statement shall list all assets, at cost and market values, and liabilities of EPIC as of the last business day of each month. It shall also compute the value of the Partnership.
- b. The Treasurer shall also prepare a summary statement of capital accounts maintained in the name of each Partner, as of each valuation date, including the maximum allowable contribution for the current meeting.
- c. The annual EPIC accounting shall show the distribution of dividends, interest, short and long-term capital gains, and expenses.

X. BANK(S) AND BROKER(S)

- a. The EP Investment Club may maintain checking account(s) at the bank(s) that the EP Investment Club deems necessary or desirable, or may operate only with the brokers' account or money market fund linked to the brokerage account.
- b. The EP Investment Club may engage one or more broker(s) as it deems necessary or desirable.
- c. The EP Investment Club shall request the bank or broker to send statements directly to the Treasurer, and the Treasurer will send the electronic statement to the Secretary and, if requested, the President OR statements will be made available online where all partners can view the statements.

XI. PAYMENTS

- a. All monies for investment consideration for the month must be delivered to the treasurer by the commencement of that month's meeting. Any monies contributed after this time shall be held for investment consideration until the next monthly meeting. Once the Club's assets reach \$10,000, no capital contribution shall cause an individual Partner's capital account to exceed twenty-five percent (25%) of the aggregate value of the capital accounts of all Partners. Partners may contribute more than the minimum if they choose to do so.
- b. If available and desired, Partners may arrange for automatic monthly withdrawal from the Partner's personal checking or other account to be deposited into the EP Investment Club account. Any expense for this shall be borne by the individual Partner.
- c. The EP Investment Club shall not assess a fine against Partners for late payments of monthly dues.
- d. Membership dues of 50 dollars are due upon joining the Club and at the beginning of each calendar year. If a member becomes 1 month delinquent on dues, the delinquent amount will be transferred from the individual's Club share to the Club's general account.



- e. In the case of a full or partial withdrawal, payment may be made in cash or securities of the partnership or a mix of each at the option of the Partnership. In the case of a full withdrawal, payment may be made in cash or securities or a mix of each at the option of the remaining Partners. In either case, the other Partners shall be given the option to purchase (in proportion to their capital accounts) the capital account of the withdrawing Partner. This option must be exercised between the receipt of notice of withdrawal and the withdrawal valuation date.

XII. EXPENSE REIMBURSEMENT

- a. From time to time, the President may request a Partner to purchase goods or services for the benefit of the EP Investment Club. Upon request of the Partner, the cost of such expenditure shall be reimbursed by the EP Investment Club upon furnishing receipts for such purchase.
- b. The President may authorize expenditures of less than \$25. The total of such Presidential expenditures shall not exceed \$125 in any calendar year.
- c. Expenditures of \$25 or more shall be authorized only by an EPIC vote.

XIII. REMOVAL

- a. A Partner shall be declared Inactive under any of the following circumstances:
 - i. In the opinion of two-thirds simple and weighted majority vote, any member of the Club may be removed from the Club for any reason.
 - ii. Should a partner's total annual contributions not meet or exceed \$300, the partner will automatically be removed from the Club.

XIV. AMENDMENT OF THESE BYLAWS

- a. These Bylaws may be amended from time to time upon majority vote of the Partners. Amendments shall become part of the Bylaws upon the effective date specified therein.
- b. If any part of these Bylaws is ruled ineffective or invalid by a court of law, the other parts will remain in full force and effect.
- c. These Bylaws shall be construed in accordance with the Partnership Agreement and, in any conflict, the Partnership Agreement shall rule.