

**BYLAWS
OF
NORTH CAROLINA CREDITORS BAR ASSOCIATION, INC.**

**ARTICLE I
OFFICES**

Section 1.1 Principal Office. The principal office of the North Carolina Creditors Bar Association, Inc. (the “corporation”) shall be located at such place, within or without the State of North Carolina, as shall be determined from time to time by the Board of Directors, and, if that location is different from the location designated in the corporation’s articles of incorporation, the Board of Directors shall file the appropriate paperwork designating the change in principal office location with the North Carolina Secretary of State pursuant to the North Carolina Nonprofit Corporation Act.

Section 1.2 Registered Office. The corporation shall maintain a registered office in the State of North Carolina as required by law, which may be, but need not be, identical with the principal office.

Section 1.3 Other Offices. The corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may from time to time determine, or as the affairs of the corporation may require.

**ARTICLE II
PURPOSE AND BASIC POLICIES**

Section 2.1 Purpose. The corporation is organized to operate exclusively for the promotion of the common business interests of the corporation’s members within the meaning of section 501(c)(6) of the Internal Revenue Code, as amended from time to time, or the corresponding provisions of any United States internal revenue laws (the “Code”); and more specifically, in order to promote those interests, to engage in the following activities so long as they do not fall outside of a tax exempt purpose as contemplated by section 501(c)(6) of the Code:

A. To further and promote the image and function of the legal profession engaged in the practice of creditors rights law. Creditors rights law is defined as including the representation of creditors in the following areas:

1. in litigation in the state and federal courts for the purpose of collecting commercial or consumer debt; and,
2. in foreclosure proceedings; and,
3. in bankruptcy and insolvency proceedings; and,
4. in related areas of the laws pertaining to commercial or consumer credit.

B. To educate the public and members of the credit and collection industry as to all aspects of the commercial or consumer collection industry.

C. To provide an interchange of ideas for the members.

D. To provide meetings, seminars, and publications to further the purposes of the corporation.

E. To encourage and promote the adoption of legislation in the various states and in the United States favorable to the collection industry, the attorneys engaged in debt collection and the rights of credit grantors.

F. To gather and disseminate information and material relative to consumer and commercial credit which may be valuable to the members of the corporation and the general public.

G. To elevate the standards and improve the practice and ethics of consumer and commercial collection law.

H To foster among its members a feeling of fraternity and mutual confidence.

I. To encourage, foster, and advance professional practices and ethical conduct among its members.

J. To engage in other activities that will improve the business climate for the corporation's members.

K. To comply with national, state, and local laws regulating the collection industry, antitrust, trade regulation, tax exempt or non-profit entities, and other applicable laws.

Section 2.2 Basic Policies. The following are the basic policies of the corporation:

A. The corporation shall not enter into any membership with any other organizations unless membership is approved by the Board of Directors.

B. No part of the net earnings of the corporation shall be distributable to or inure to the benefit of its officers or any private person, except that the corporation shall be authorized to pay reasonable compensation for services rendered and to make any payments and distributions in furtherance of its exempt purposes. Any earnings distributed to any officers for their services as such shall be voted on and approved by the Board of Directors as a reasonable salary for the services rendered to the corporation, should funds be available. Notwithstanding any other provision hereof, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under section 501(c)(6) of the Code or (ii) by an organization which contributions are deductible under Section 170 (c)2 of the Internal Revenue Code.

G. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, distribute all of the remaining assets of the corporation to such organization or organizations as the Board of Directors shall determine which are then qualified for exemption from federal income tax under sections 501(c)(3) or 501(c)(6) of the Code, or to one or more of the United States of America, any state, territory, or possession of the United States, or any political subdivision thereof, exclusively for public purposes as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Clerk of Superior Court of Wake County, North Carolina to such organization or organizations as the Clerk of the Superior Court of Wake County shall determine which are qualified for exemption from federal income tax under sections 501(c) or 501(c)(6) of the Code.

ARTICLE III
MEMBERSHIP AND DUES

Section 3.1 **Regular Membership.** Regular membership in the corporation shall be made available without regard to race, color, religion, sex, handicap, national origin or familial status. Membership shall consist of individuals who:

- a. are licensed and in good standing to practice law in the State of North Carolina; and,
- b. devote a minimum of 25% of their practice to creditors' rights law; and,
- c. pledge to support the stated purposes and policies of the Association.

Section 3.2 **Special Membership.** Special membership in the corporation shall be made available without regard to race, color, religion, sex, handicap, national origin or familial status. Membership shall consist of individuals who:

- a. are officers, directors, agents, or employees of companies which handle or are otherwise or affiliated with financial institutions, debt collections, or other creditor rights;
- b. pledge to support the stated purposes and policies of the Association; and
- c. are sponsored by a Member

Section 3.3 **Enrollment.** The corporation shall accept membership applications at any time throughout the year. Membership is subject to application review and approval by the Membership Committee. The Membership Committee is not required to provide notification for the reasoning behind the denial of membership.

Section 3.4. **Dues.** Each member of the corporation shall pay annual dues, as set from time to time by the Board of Directors, to the corporation. The dues collected shall be used to further the intention and promote the purposes of the corporation, as approved by the Board of Directors. The amount of dues and frequency of payment is subject to change based on determination by the Board of Directors. The Board of Directors shall give all members at least sixty (60) days notice should the frequency or amount of the dues change via written communication.

Section 3.5 **Termination.** Members may resign at any time by providing written notification to any Officer. The Membership Committee may terminate the membership of any member at any time, in its discretion for any of the following reasons:

- a. the member is disbarred or receives a disciplinary suspension from the North Carolina State Bar, a court of law, or, if the member is licensed in another jurisdiction and is disbarred or suspended for disciplinary reasons in the other jurisdiction; or,
- b. the member ceases to devote at least 25% of his/her work as an attorney to the practice of creditors rights law; or,
- c. the member fails to pay annual dues to the Association; or,
- d. the member engages in activity that is inconsistent with the stated purposes and policies of the Association.

Section 3.6 **Appeals.** A member whose membership has been terminated by Membership Committee may appeal that decision in writing to the Board of Directors. The Board of Directors shall review any evidence submitted in writing by the terminated member and by the Membership Committee and shall make an independent determination regarding the decision to terminate. The Board of Directors will render its decision in written form.

Section 3.7 Reinstatement. A member may apply for reinstatement in the Association by submitting a satisfactory application for membership along with the required dues payment.

ARTICLE IV
BOARD OF DIRECTORS AND OFFICERS

Section 4.1 General. All corporate powers of the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors. The Board of Directors shall be comprised of all of the corporation's officers. In addition, the Board shall include members who concentrate their practices in one of the following areas of creditors rights law: foreclosure, bankruptcy, commercial collections, and consumer collections. One member who practices primarily plus one additional member elected by the membership whose practice meets the following charactersit

The officers of the corporation shall consist of a President, a President Elect, a Secretary, and a Treasurer, and may also include a Chief Executive Officer, and such Vice Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as may be appointed by the Board of Directors or otherwise provided in these Bylaws. Any two or more offices may be simultaneously held by the same person, but no person may act in more than one capacity where action of two or more officers is required. The title of any officer may include any additional designation descriptive of such officer's duties as the Board of Directors may prescribe.

Section 4.2 Number, Term and Qualification. The initial number of officer positions of the corporation shall be four (4). Unless any of the officers hold two or more positions, there shall initially be four (4) officers. The number of officers may be increased or decreased only by the Board of Directors.

The terms of the initial Secretary and Treasurer, and the term of any officer elected to fill a vacancy in those positions shall expire at the next meeting at which officers are elected. The term of the initial President shall expire at the next meeting at which officers are elected. The term of the initial President Elect, as well as the terms of all future Presidents Elect, shall expire if the President position is vacated or expires, at which time the President Elect shall become President. If both the offices of the President and President Elect are simultaneously vacant, the President may be directly elected. Otherwise, the term of each officer shall be the period from the effective date of his or her election to the next annual meeting of the Board of Directors. Notwithstanding the stated terms of officers, an officer shall continue to serve after expiration of his or her stated term until his or her successor is elected or otherwise automatically succeeds him or her and qualifies, or there is a decrease in the number of officers eliminating his or her position. Notwithstanding the stated terms of officers, an officer shall cease to serve as such and his or her position shall be deemed vacant upon his or her death, resignation, removal or disqualification.

Officers need not be residents of the State of North Carolina.

Section 4.3 President. Unless the Board of Directors designates another officer as the Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation and shall have all of the duties and authority of that office. Subject to the direction and control of the Board of Directors, the Chief Executive Officer shall supervise and control the management of the corporation and shall have such duties and authority as are normally incident to the position of chief executive officer of a corporation and such other duties and authority as may be prescribed from time to time by the or as are provided for elsewhere in these Bylaws. The title of the President may, but need not, also refer to his or her position as Chief Executive Officer.

The President shall also have such other duties and authority as may be prescribed from time to time by the Board of Directors.

Section 4.4 President Elect. The President Elect, shall, in the absence or disability of the President, have the authority and perform the duties of said office (including the duties and authority of the President as Chief Executive Officer). In addition, the President Elect shall perform such other duties and have such other powers as are normally incident to the office of a Vice President or as shall be prescribed by the President, or the Board of Directors.

Section 4.5 Secretary. The Secretary shall have the responsibility and authority to maintain and authenticate the records of the corporation; shall keep, or cause to be kept, accurate records of the acts and proceedings of all meetings of officers and subcommittees; shall give, or cause to be given, all notices required by law and by these Bylaws; shall have general charge of the corporate books and records and of the corporate seal, and shall affix the corporate seal to any lawfully executed instrument requiring it; shall have general charge of the stock transfer books of the corporation, and shall keep, or cause to be kept, all records as are required by applicable law or these Bylaws; shall sign such instruments as may require the signature of the Secretary; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him or her from time to time by the President or Board of Directors. If the Office of President and President Elect are held by the same person, the Treasurer shall, in the absence or disability of the President, have the authority and perform the duties of the President (including the duties and authority of the President as Chief Executive Officer).

Section 4.6 Treasurer. The Treasurer shall have custody of all funds and securities belonging to the corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors; shall keep, or cause to be kept, full and accurate accounts of the finances of the corporation in books especially provided for that purpose, and shall generally have charge over the corporation's accounting and financial records; shall cause a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and of cash flows for such fiscal year, all in reasonable detail, including particulars as to convertible securities then outstanding, to be made as soon as possible after the end of such fiscal year. The Treasurer shall also prepare and file, or cause to be prepared and filed, all reports and returns required by federal, state or local law and shall generally perform all other duties incident to the office of Treasurer and such other duties as may be assigned to him or her from time to time by the President or the Board of Directors.

Section 4.7 Assistant Secretaries and Treasurers. The Assistant Secretaries and Treasurers, if any, shall, in the absence or disability of the Secretary or the Treasurer, respectively, have all the powers and perform all of the duties of those offices, and they shall in general perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President, or the Board of Directors.

Section 4.8 Election of Officers. Except as provided elsewhere in this Article, the President Elect will automatically become the President upon expiration of the President's term as provided in section 4.2. Except as provided elsewhere in this Article, officers other than the President and all initial officers shall be elected at the annual meeting.

Section 4.9 Voting for Officers. Except as provided Elsewhere in this Article, Officers shall be elected by a plurality of the votes cast by the members entitled to vote in the election of officers at a meeting at which a quorum is present. Except as provided in the Articles of Incorporation or required by applicable law, the members have no right to cumulate their votes for officers.

Section 4.10 Removal. Except as otherwise provided in the Articles of Incorporation or by applicable law, an officer may be removed from office with or without cause by a vote of the voting group

entitled to elect such officers, provided a quorum exists and the number of votes cast in favor of such removal exceeds the number of votes cast against such removal. An officer may not be removed at a meeting unless the notice of the meeting states that a purpose of the meeting is removal of such officer. If any officers are so removed, new officers may be elected at the same meeting.

Section 4.11 Vacancies. When an officer position is vacant, including positions resulting from an increase in the number of officers, it may be filled by a majority vote of the remaining officers, though less than a quorum, or by the sole remaining officer. The Board of Directors may elect an officer at any time to fill any vacancy not filled by the officers.

Section 4.12 Compensation. The Board of Directors, in its discretion, may compensate officers for their services as such and may provide for the payment of all expenses reasonably incurred by officers in attending meetings of the Committee or of any subcommittee, or in the performance of their other duties as officers. Nothing herein contained, however, shall be construed to preclude any officer from serving the corporation in any other capacity and receiving compensation therefore.

Section 4.13 Subcommittees. The Board of Directors, by resolution adopted by a majority of the number of officers then in office, may designate and appoint from among its members one or more subcommittees, each consisting of two or more officers, who shall serve as members of such subcommittee at the pleasure of the Board of Directors. Each such subcommittee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the corporation, except that no such subcommittee shall have authority to:

- a. authorize distributions not permitted by applicable law to be authorized by a subcommittee;
- b. approve action that applicable law requires to be approved by the Board of Directors;
- c. fill vacancies on the Board of Directors or on any subcommittee;
- d. amend the Articles of Incorporation;
- e. adopt, amend or repeal bylaws;
- f. approve a plan or merger not requiring approval; or
- g. amend or repeal any resolution of the Board of Directors that by its terms provides that it is not so amendable or repealable. Nothing herein shall preclude the Board of Directors from establishing and appointing the authority of the Board of Directors.

ARTICLE V **MEETING OF THE BOARD OF DIRECTORS**

Section 5.1 Regular Meetings. A regular annual meeting of the Board of Directors shall be held within the first three (3) months after the close of the fiscal year of the corporation. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings.

Section 5.2 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chief Executive Officer or any two officers. Such meetings may be held either within or outside the State of North Carolina.

Section 5.3 Notice of Meetings. Regular meetings of the Board of Directors may be held with seven (7) days' notice. Special meetings may be held with two (2) days' notice. Notice of the meetings shall be made by any usual means of communication, including email, telephone, US Mail or facsimile. The notice need not specify the purpose for which the meeting is called.

An officer's attendance at or participation in a meeting shall constitute a waiver by such officer of notice of such meeting, unless the officer at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or to the transaction of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 5.4 **Quorum.** A majority of the number of officers fixed or prescribed by these Bylaws shall be required for, and shall constitute, a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5.5 **Manner of Acting.** Except as otherwise provided in these Bylaws or required by applicable law, the affirmative vote of a majority of the officers present at a meeting of the Board of Directors shall be the act of the Board of Directors, if a quorum is present when the vote is taken.

Section 5.6 **Organization.** Each meeting of the Board of Directors shall be presided over by the Chief Executive Officer, and in their absence or at their request, by any person selected to preside by vote of a majority of the officers present. The Secretary, or in the absence or at the request of the Secretary, any person designated by the person presiding at the meeting, shall act as secretary of the meeting.

Section 5.7 **Action Without Meeting.** Action required or permitted to be taken by the Board of Directors or a subcommittee at a meeting may be taken without a meeting if one or more written consents describing the action taken are signed by each of the officers or members of the subcommittee, as the case may be, whether before or after the action so taken, and filed with corporate records or the minutes of the proceedings of the Board of Directors or subcommittee. Action so taken is effective when the last officer or subcommittee member signs such consent, unless the consent specifies a different effective date. Such consent has the effect of a meeting vote and may be described as such in any document.

Section 5.8 **Participation by Conference Telephone.** Any one or more officers or members of a subcommittee may participate in a meeting of the Board of Directors or subcommittee by means of a conference telephone or similar communications device that allows all persons participating in the meeting to simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed presence in person at such meeting.

ARTICLE VI **CONTRACTS, LOANS AND DEPOSITS**

Section 6.1 **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any document or instrument on behalf of the corporation, and such authority may be general or confined to specific instances. Any resolution of the Board of Directors authorizing the execution of documents by the proper officers of the corporation or by the officers generally and not specifying particular officers shall be deemed to authorize such execution by the President or any other officer if such execution is within the scope of the duties of such other office. The Board of Directors may by resolution authorize such execution by means of one or more facsimile signatures.

Section 6.2 **Loans.** No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 6.3 **Checks and Drafts.** All checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the

corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

Section 6.4 **Deposits.** All funds of the corporation not otherwise employed or invested shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Directors directs.

ARTICLE VII **RECORDS AND REPORTS**

Section 7.1 **General.** The corporation shall keep all records and submit and file all reports and filings as are required by applicable law. Unless the Board of Directors otherwise directs, the Treasurer shall be responsible for keeping, or causing to be kept, all financial and accounting records of the corporation and for submitting or filing, or causing to be submitted or filed, all reports and filings of a financial or accounting nature, and the Secretary shall be responsible for keeping, or causing to be kept, all other records and for submitting or filing, or causing to be submitted or filed, all other reports and filings.

The corporation shall keep as permanent records minutes of all meetings of its incorporators and the Board of Directors, a record of all actions taken by the Board of Directors without a meeting, and a record of all actions taken by subcommittees of the Board of Directors. The corporation shall maintain appropriate accounting records. The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

Section 7.2 **Records at Principal Office.** The corporation shall keep a copy of the following records at the corporation's principal office:

- a. Its Articles or restated Articles of Incorporation and all amendments to them currently in effect;
- b. Its Bylaws or restated Bylaws and all amendments to them currently in effect;
- c. All written communications to members generally within the past three (3) years and the financial statements required by law to be made available to the Board of Directors for the past three (3) years;
- d. A list of the names and business addresses of its current officers.

Section 7.3 **Financial Statements.** The corporation shall make available to the Board of Directors annual financial statements, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, and income statement for that year, and a statement of cash flows for the year unless that information appears elsewhere in the financial statements. If financial statements are prepared for the corporation on the basis of generally accepted accounting principles, the annual financial statements shall also be prepared on that basis.

If the annual financial statements are reported upon by a public accountant, such accountant's report shall accompany them. If not, the statements shall be accompanied by a statement of the President or the Treasurer or other person responsible for the corporation's accounting records:

- a. Stating his or her reasonable belief whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and
- b. Describing any respects in which the statement were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

The corporation shall mail the annual financial statements, or a written notice of their availability, to each officer within 120 days after the close of each fiscal year, provided that the failure of the corporation to comply with this requirement shall not constitute the basis for any claim of damages by any officer unless such failure was in bad faith. Thereafter, on written request from an officer who was not mailed the statements, the corporation shall mail such officer the latest financial statements.

Section 7.4 **Other Reports to Officers.** If the corporation indemnifies or advances expenses to an officer in connection with a proceeding by or in the right of the corporation, the corporation shall report the indemnification or advance in writing to the officer with or before notice of the next Board of Directors meeting.

ARTICLE VIII **GENERAL PROVISIONS**

Section 8.1 **Seal.** The corporate seal of the corporation shall consist of two (2) concentric circles between or within which are the name of the corporation, the state of incorporation, the year of incorporation, and the word "SEAL." The seal may be used by causing it or a facsimile thereof to be impressed, affixed, stamped or reproduced by any means. Any officer of the corporation authorized to execute or attest a document on behalf of the corporation may affix or reproduce on such document, as and for the corporate seal of the corporation, a seal in any other form sufficient to evidence that it is intended by such officer to represent the corporate seal of the corporation, in which case such seal shall be as effective as the corporate seal in the form herein prescribed.

Section 8.2 **Notice and Waiver of Notice.** Except as otherwise provided in the Articles of Incorporation or these Bylaws, any notice permitted or required to be given pursuant to these Bylaws may be given in any manner permitted by applicable law and with the effect therein provided. Without limiting the generality of the foregoing, written notice by the corporation to an officer is effective when deposited in the United States mail with postage thereon prepaid and correctly addressed to the officer's address shown in the corporation's current record of officers.

Whenever any notice is required to be given to any officer under the provisions of the North Carolina Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or Bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice and included in the minutes or filed with the corporate records, whether done before or after the time stated in the notice, shall be equivalent to the giving of such notice.

Section 8.3 **Fiscal Year.** The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

Section 8.4 **Indemnification.** Any person who at any time serves or has served as an officer, employee or agent of the corporation, or in such capacity at the request of the corporation for any other foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, shall have a right to be indemnified by the corporation to the fullest extent from time to time permitted by law in the event he is made, or is threatened to be made, a party to any threatened, pending or completed civil, criminal, administrative, investigative or arbitrative action, suit or proceeding and any appeal therein (and any inquiry or investigation that could lead to such action, suit or proceeding), whether or not brought by or on behalf of the corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity.

The officer's, employee's or agent's rights hereunder shall, to the fullest extent from time to time be permitted by law, cover (a) reasonable expenses, including without limitation, all attorney's fees actually and necessarily incurred by him in connection with any such action, suit, or proceeding, (b) all reasonable payments made by him in satisfaction of any judgment, money decree, fine (including an excise tax assessed with respect to an employee benefit plan), penalty or settlement for which he may have become liable in such action, suit or proceeding and (c) all reasonable expenses incurred in enforcing the indemnification rights provided herein.

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this provision, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him.

Any person who at any time serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the rights provided for herein. Any repeal or modification of these indemnification provisions shall not affect any rights or obligation existing at the time of such repeal or modification. The rights provided for herein shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from this provision.

The rights granted herein shall not be limited by provisions contained in Section 55A-8-51 of the North Carolina General Statutes or any successor to such statute.

Section 8.5 Construction. All personal pronouns used in these Bylaws shall include persons of any gender. All terms used herein and not specifically defined herein, but defined in the North Carolina Nonprofit Corporation Act, shall have the same meanings herein as given under the North Carolina Nonprofit Corporation Act, unless the context otherwise requires.

Section 8.6 Amendments. Except as otherwise provided herein or in the Articles of Incorporation or by applicable law, these Bylaws may be amended or repealed and new bylaws may be adopted by action of the Board of Directors.

ARTICLE IX **CONFLICT OF INTEREST POLICY**

Section 9.1 Purpose. The purpose of the conflict of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer of the corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable corporations.

Section 9.2 Interested Person. Any Officer or member of a subcommittee with governing Committee delegated powers, who has direct or indirect financial interest as defined below is considered an Interested Person.

Section 9.3 Financial Interest. Any person who has through business, investment or family, directly or indirectly:

- a. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement.

- b. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement.
- c. A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has financial interest may have a conflict of interest only if the Board of Directors or appropriate subcommittee decides that a conflict of interest exists.

Section 9.4 Duty to Disclose. In connection with any actual or possible conflict of interest an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors and members of subcommittees with Board of Directors delegated powers considering the proposed transaction or arrangement.

Section 9.5 Determining Whether a Conflict Exists. After disclosure of the financial interest and all material facts and after any discussion with the interested person, he or she shall leave the governing Committee or subcommittee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Committee or subcommittee members shall decide if a conflict of interest exists.

Section 9.6 Procedures for Addressing the Conflict. An interested person may make a presentation at the Board of Directors meeting, but after presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The Board of Directors or Chairperson of the appropriate subcommittee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the Board of Directors shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or appropriate subcommittee shall determine by a majority vote of the disinterested Officers whether the transaction or arrangements is in the corporations best interest, for its own benefit and whether it is fair and reasonable.

Section 9.7 Violations of a Conflict of Interest Policy.

If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 9.8 Recordings of Proceedings. The minutes of the Board of Directors of the special meeting regarding a violation of the Conflict of Interest Policy shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the Board of Directors's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 9.9 Annual Statements. Each officer of the corporation shall sign a statement which affirms such person has received a copy of the conflict of interest policy, has read and understood the policy, has agreed to comply with the policy and understands the organization is a non-profit corporation and in order to maintain its 501(c)(6) status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE X
COMPENSATION

Section 10.1 Compensation. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

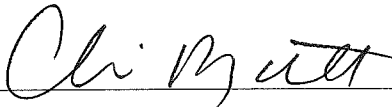
A voting member of any subcommittee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the Board of Directors or any subcommittee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any subcommittee regarding compensation.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of the Bylaws of the North Carolina Creditors Bar Association, a North Carolina Non-profit Corporation.

WITNESS my hand and the seal of the corporation this the 21th day of October, 2013.

(CORPORATE SEAL)


 Printed Name: Christine L. Myatt
 Title: Secretary