

BYLAWS: COMICS PROFESSIONAL RETAILERS ORGANIZATION, INC. (CPRO)

ARTICLE I – NAME AND REGISTERED AGENT

1. The name of the association is the Comics Professional Retailers Organization, Inc. (CPRO), a not-for-profit corporation incorporated in the State of Montana.
2. The registered office shall be in the State of Montana. The corporation may change its registered office or its registered agent, or both, upon filing a statement with the Secretary of State of Montana.

ARTICLE II – PURPOSE

1. The purposes of this corporation are to act as a not-for-profit professional association to promote the progress and development of comic book retailers, including, but not limited to:
 - a. to help to develop better marketing and daily business practices for comic book retailers
 - b. to improve the condition of their industry by educating the public about comic books in general
 - c. to provide a voice for independent comic book retailers
2. All policies and activities of the association will be consistent with the applicable federal, state, and local antitrust, trade regulation, or other legal requirements and shall be as permitted an organization described in Section 501(c) (6) of the Internal Revenue Code.
3. The association hereby adopts and incorporates into these bylaws by reference herein as Attachment I the ComicsPRO Anti-Trust Compliance Policy (hereinafter referred to as "the Policy"). The association agrees to uphold and enforce the provisions of the Policy to the fullest extent possible. At the time of adoption the Policy adheres to the strictest standards of Federal law. The association understands that future changes in the law may contradict provisions of the Policy. Therefore, in the case of any contradiction of applicable Federal provisions, that portion of the Policy which is in conflict shall be considered null and void for purposes of these bylaws. The association will take all reasonable measures to update and revise the Policy as necessary to adhere to applicable Federal standards in the area of Anti-Trust compliance.

ARTICLE III – MEMBERSHIP

1. There shall be classes of members. The Board of Directors may establish other classes of voting or non-voting members.
2. Full Comic Retail Memberships. Businesses which are eligible to become Full Comic Retail Members shall have at least one storefront location, shall have a

valid business tax identification number, and shall be directly engaged in the retail sale of comic books in the United States. Full Comic Retail Members shall have the right to one vote on any issue presented before the membership in accordance with these Bylaws, and shall appoint one person as a representative to cast votes on its behalf at meetings of the Organization and a person or persons to receive Organization communications. Full Comic Retail Members with more than one retail outlet or with franchise outlets shall have only one voting representative.

3. International Memberships. Businesses which are eligible to become International Members shall have at least one storefront location, shall have a valid business tax identification number (or equivalent from their countries of origin), and shall be directly engaged in the retail sale of comic books outside of the United States. International Members shall have the right to one vote on any issue presented before the membership in accordance with these Bylaws, and shall appoint one person as a representative to cast votes on its behalf at meetings of the Organization and a person or persons to receive Organization communications. International Members with more than one retail outlet or with franchise outlets shall have only one voting representative. Rights and responsibilities outlined for Full Comic Retail Members in the bylaws apply equally to International Members.

4. All applicants to become members shall complete and sign the application form provided by the Organization and submit the application to the principal office of the Organization. Admission decisions shall be made in accordance with policies and procedures established by the Board of Directors, compliant with the Organization bylaws, by the Executive Director as provided in Attachment II.

5. Dues and admission fees for all classes of membership shall be established by Executive Director as provided in Attachment II.

6. All members shall be subject to and governed by the Articles of Incorporation and Bylaws. Any member may be expelled for due cause as determined by a two-thirds vote of the Board of Directors. Adequate reasons for expulsion include but are not limited to: failure to pay dues, fees, or assessments; failure to meet the membership criteria after an initial notification of delinquency; failure to maintain eligibility for membership; bankruptcy; or fraud. Any member proposed for expulsion shall be given advance written notice including the reason for the proposed expulsion, the opportunity to contest the proposed expulsion in writing to the Board of Directors, and, if expelled, the final written decision of the Board. The expelled member may appeal the Board's decision in writing to a three-member panel appointed by the President. The decision of the Appeals Panel is final.

7. Any member may resign by filing a written resignation with the Board of Directors. No dues shall be refunded to any member who terminates their membership.

8. Resignation or expulsion does not relieve a member from liability for dues, fees, or assessments or other obligations accrued and unpaid as of the effective date of such actions.

9. Any member who is delinquent in dues or fees for sixty days shall be notified of the delinquency and suspended as a member, and shall forfeit all membership rights and services. If payment of dues or fees is not made within 30 days following the suspension, the member shall be expelled from the Organization.

10. Any Member who engages in the practice of selling product at any time prior to the normal operating hours of such Member on the Wednesday immediately following the Member's receipt of said product, unless the member receives the product on a Wednesday, and subject to the exceptions and modifications listed below, shall be subject to disciplinary measures up to and including expulsion from the Organization.

a. This paragraph shall only apply to products which are exclusive to Diamond Comic Distributors (DCD), or first distributed to any retail market by DCD on behalf of any publisher or supplier who is brokered by DCD or for whom DCD acts as an agent in the comic book specialty market.

b. This paragraph shall not apply in the case where a Member has arranged with Diamond Comic Distributors or a specific publisher or supplier as described in subparagraph a, above, for a special release, signing or other promotional event that would result in a violation of the foregoing rule.

c. The 'practice of selling product,' for the purposes of this Paragraph 10, shall not apply in cases of prepayment or presales unless the product has been shipped to, delivered to, or received by a retail customer of a Member prior to the day of the week specified in this Paragraph 10.

d. In instances where holidays or other shipping delays cause the distribution of products described in paragraph a, above, to be delayed throughout a significant proportion of the distribution channel in a given country, the foregoing Paragraph 1 shall be interpreted such that Thursday or Friday, as the case may be, shall replace Wednesday with respect to selling products for that country, and shall remain subject to all other provisions of this paragraph.

e. The Board of Directors shall make the final determination as to whether any member has violated the rules set forth in the foregoing sections of this paragraph according to the following criteria:

1) Any Member, any publisher or supplier whose product is distributed through Diamond Comics Distributors, or who is brokered by Diamond Comic Distributors, or for whom Diamond Comic Distributors acts as an agent, any employee of Diamond Comic Distributors, or any customer of Diamond Comics Distributors may request the Board of Directors to investigate

whether a Member of the Organization has violated the foregoing provisions of this paragraph. Any request for an investigation shall include the name and address of the Member to be investigated and a description of the events leading to the request.

2) Upon receiving any such request as provided in subparagraph 1, above, the Board of Directors shall initiate an investigation as provided herein:

A) Within ten (10) days of receiving any request to investigate, the Board of Directors shall, by majority vote, appoint any willing member (including a member of the Board of Directors), providing such member did not initiate the request for investigation, hereinafter referred to as the "Investigator," to investigate any accusation of violation of this paragraph. If no Investigator is appointed within ten (10) days, the investigation shall not be undertaken and the party requesting the investigation shall be so notified in writing at the Board of Directors' convenience. The Member who is appointed Investigator shall have five (5) days to decline such appointment. Any decision to decline shall be made in writing to any Board Member. If a Member who is appointed Investigator declines, the Board of Directors shall appoint a replacement within five (5) days of notification. Members shall not receive any fees for their services as Investigator.

B) Within ten (10) days of the appointment of an Investigator, the Board of Directors shall provide notification of the investigation, in writing, to the Member who is being investigated and the party requesting the investigation. Such notification shall include the name of the Investigator undertaking the investigation, the name of the Member who is being investigated and the name of the party requesting the investigation, and shall include instructions for participating in the investigation, including but not limited to the submission of evidence and a timeline of the investigation process.

C) The Investigator shall only review such evidence as is provided by the party requesting the investigation and the Member being investigated. Evidence may include, but is by no means limited to, photographic evidence, physical evidence such as receipts, etc., and other evidence provided by the party requesting the investigation or by the member who is being investigated. All evidence shall be submitted to the Investigator within ten (10) days of the Investigator's notification pursuant to subparagraph B, above.

D) Within thirty (30) days of receiving evidence, the Investigator shall make a final report to the Board of Directors regarding the

investigation. If a final report is not made within thirty (30) days, the request for investigation shall be deemed closed and all parties shall be notified thereof in writing and within ten (10) days of the passing of the thirty (30) day deadline. If an investigation is deemed closed due to the failure of the Investigator to make a final report, the party that requested the initial investigation may seek to renew the investigation subject to the provisions of subparagraph A, above.

E) The Board of Directors, after considering the final report by the Investigator, shall determine by majority vote whether a violation of this paragraph has occurred.

F) If the Board of Directors determines that no violation has occurred, the Board of Directors shall notify in writing and within ten (10) days of the vote, the Member who was investigated and the party requesting the investigation that the investigation is closed and that no violation was found.

G) If the Board of Directors determines that a violation has occurred, a majority of the Board of Directors shall consider what disciplinary action will be undertaken, up to and including expulsion. The Board of Directors shall notify in writing and within ten (10) days of the vote, the Member who was determined to have violated the provisions of this paragraph and the party requesting the investigation of what actions will be taken against the Member, if any.

H) No dues shall be refunded to any Member who is expelled pursuant to this paragraph.

I) This paragraph 10 shall in no way be construed to provide for any Member to act in a manner that would result in the failure to comply with existing provisions of Federal Anti-Trust law or the ComicsPRO Anti-Trust Compliance Policy. The limited restriction on selling product before a specific date in this paragraph is meant to enhance previously existing contractual obligations between some members and some publishers, suppliers and distributors and is consistent with the Industry Self-Regulation Guidelines provided in the ComicsPRO Anti-Trust Compliance Policy.

ARTICLE IV – BOARD OF DIRECTORS

1. The business and affairs of this Organization shall be governed by a Board of Directors.

2. The Board of Directors shall consist of no less than seven Full Comic Retail Members, including the Organization's four officers and no less than three Directors at Large, and will be elected by the Full Comic Retail Members of the Organization. The Board of Directors shall be representative of the Organization's diversity to the fullest extent possible.

3 At a regular date each year, an election shall be held to choose members of the Board of Directors for the number of any Director seats which are at the end of their terms and, if necessary, to fill any remaining vacancies. Directors shall serve staggered terms of three years. Directors shall take office at the next regular Board of Directors meeting which shall be schedule to coincide with the election date.

a. The President, with the approval of the Board of Directors, shall select the Nominating Committee as a standing committee of the Organization. The Nominating Committee shall present the Director candidates (including at least one alternate Director candidate) to the Board of Directors for its approval, which shall not be unreasonably withheld, and shall then present the candidates to the Full Comic Retail Members in accordance with these Bylaws and procedures adopted by the Board of Directors. The Committee shall be comprised of four Full Comic Retail Members and shall include two Directors, one a standing Director and one a newly elected Director, none of whom may be among the nominees for a current vacancy on the Board of Directors. The standing Director shall be appointed as Chair of the Committee, with the newly elected Director to succeed as Chair of the Committee in the following year. The Committee term is one year. Approximately one hundred and twenty days prior to the annual election date, the Nominating Committee shall nominate candidates for the Board of Directors and shall announce the nominations to the Organization.

b. Any Full Comic Retail Member may submit a petition for a Director candidate. Each petition shall present only one candidate. Petitions shall be received by the Nominating Committee on a date set by the Committee approximately ninety days prior to the annual election date. The petition must be signed by five Full Comic Retail Members from at least four different states and contain original signatures, names, addresses, and telephone numbers of the signing Members. Upon receipt of a valid petition, the Nominating Committee shall add the petitioned candidate's name to the Director ballot.

c. The Nominating Committee shall mail ballots to all eligible voting members at least thirty days prior to the annual election date.

d. The ballots for Directors are to be marked by Full Retail Members with a sliding scale as to who they wish to elect. Each voter will be asked to provide 1st choice, 2nd choice, and 3rd choice for the nominated Directors. Candidates will receive 3 points for a first choice vote, 2 points for a second choice vote, and 1 point for a third choice vote.

e. The Director candidates receiving the most points for the Director positions available out of the total number of ballots marked and returned shall be elected, subject to verification by Secretary of the Organization. In the case of a tie for the last Directorship up for election, the tie shall be broken by a majority vote of the sitting Board of Directors, with any Directors that had been included in that year's balloting abstaining. In the case of a subsequent tie the President shall cast the deciding vote.

4. If a vacancy among the Directors occurs, the President shall make a recommendation to the Board of Directors who shall appoint, by majority vote, a Full Comic Retail Member to fill any vacancy, and the responsibilities associated therewith, whether as an Officer or a Director at Large. Such appointee shall complete the remaining term.

5. A Director may be removed for adequate reason by a two-thirds vote of the Board of Directors, with the Director being considered for removal not participating in the vote. Adequate reason may include, but is not limited to, failure to fulfill his or her assigned duties or being absent from two regularly called meetings without demonstrating good and sufficient cause.

6. The Board of Directors shall meet, in person, telephonically or electronically, twice annually and each meeting shall take place in separate calendar quarters. One of the regular meetings of the Board of Directors shall coincide with the annual election date of new Directors and Officers, during which the elected members shall begin their terms. There shall be notice provided to the Directors by any reasonable means at least fifteen business days prior to each regular meeting. A special meeting of the Board of Directors may be held with notice provided by any reasonable means of at least forty-eight hours prior to the meeting. The presence of five Directors constitutes a quorum at any meeting. A majority vote of Directors at a meeting at which a quorum is present is necessary to take action. Proxy voting is not permitted. Any Director may participate in any meeting of the Board of Directors in person, telephonically or electronically and shall be counted as present for purposes of quorum and voting.

7. A member of the Board of Directors may resign by delivering or mailing his or her resignation to the President or by submitting it to the Board of Directors at any regular or special meeting. Such resignation shall be effective upon receipt, unless specified to be effective at some other time and acceptance thereof shall not be necessary to make it effective.

8. Directors are not compensated for their services, but will receive reimbursement for expenses pre-authorized by the Board of Directors.

9. The Board of Directors may establish other policies and procedures for Directors and Officers.

ARTICLE V – OFFICERS

1. The Officers of the Organization are the President, Vice-President, Recording Secretary, and the Treasurer / Corporate Secretary. The Officers shall serve for a term of one year and shall be elected each year by a majority vote of the Board of Directors.

a. The President shall preside at all meetings of the members of the Organization and of the Board of Directors. The President shall make all required appointments of standing and special committees, and shall serve as an ex-officio member of all committees, and shall perform such other duties as may be prescribed by the Board of Directors. The President shall be the chief executive officer of the Organization. The President may execute and deliver in the name and on behalf of the Organization, deeds, mortgages, leases, assignments, bonds, notes, bills of sale, assignments, releases, receipts, contracts or other instruments of any kind or character authorized by a majority vote of the Board of Directors. Except as provided in Article VII, Paragraph 2, the President may appoint or employ and discharge employees and agents of the Organization and fix their compensation.

b. The Vice-President shall adopt the responsibilities in paragraph a, above, in the event the President is unwilling or unable to fulfill his or her responsibilities of office. A unanimous vote of Directors at a meeting, in person, telephonically or electronically, at which a quorum, as defined in Article IV, above, is present shall determine if the President is unwilling or unable to fulfill his or her responsibilities of office and shall also determine when the responsibilities of office shall be returned to the President. In the event of a temporary absence or incapacity of the President, which is defined as less than forty-eight hours, the Vice-President shall act as a locum tenens, or President Pro Tempore. The President Pro Tempore shall preside over meetings where the President is unavailable, in instances where the President may recuse himself or herself, or any such duties as are delegated or assigned by the President or the Board of Directors. A President Pro Tempore shall not have the authority to execute and deliver in the name and on behalf of the Organization, deeds, mortgages, leases, assignments, bonds, notes, bills of sale, assignments, releases, receipts, contracts or other instruments of any kind or character unless authorized by a majority vote of the Board of Directors.

c. The Recording Secretary shall oversee the proper recording of the proceedings and meetings of the membership and the Board of Directors, shall ensure that accurate records are maintained, shall verify the results of all polls and elections of the voting membership, and shall perform such duties as are delegated or assigned by the President or the Board of Directors.

d. The Treasurer / Corporate Secretary shall oversee the Organization's funds and records provided by the Executive Director, shall review quarterly reports on the financial condition of the Organization provided by the Executive Director, and shall perform such duties as are delegated or assigned by the President or the Board of Directors. If the Executive Director is unavailable, the Treasurer / Corporate Secretary may execute and deliver in the name and on behalf of the Organization, deeds, mortgages, leases, assignments, bonds, notes, bills of sale, assignments,

releases, receipts, contracts or other instruments of any kind or character authorized by a majority vote of the Board of Directors.

2. Officers must be members of the Board of Directors who have served in such capacity for at least one year prior to the date of candidacy. The Board of Directors shall elect, for a one year term, four Directors to maintain the offices of President, Vice-President, Recording Secretary and Treasurer / Corporate Secretary. The elected Directors shall assume office at the regular Board of Directors meeting which will coincide with the annual election date.

3. The number of terms of Office shall not be limited, except by the number of years a Director may serve on the Board of Directors.

3. In the event that an Office becomes vacant for any reason, it will be filled by such Director as a majority vote of the Board of Directors shall elect, and such Director shall serve for the remaining term of the vacated position.

4. Officers are not compensated for their services, but will receive reimbursement for expenses pre-authorized by the Board of Directors.

ARTICLE VI – COMMITTEES

1. The standing committee of the Comics Professional Retailer Organization shall include a Nominating Committee, as described in Article IV. Other committees can be created and dissolved by the Board of Directors on an as needed basis.

2. Actions of all committees specifically involving contracts or matters regarding expenditures of a previously approved budget shall be subject to the approval of the Board of Directors.

ARTICLE VII – MEETINGS & QUORUM

1. The meetings of the Board of Directors shall be at the call of the President. Special meetings of the Board may be called by petition of a majority Directors with a request to the President, upon whom it shall be mandatory to call the meeting. A majority of Directors must be present at a regular or special meeting of the Board of Directors to constitute a quorum.

2. The Organization may hold an annual meeting of the membership in a time and place designated by the Board of Directors. Notice of the meeting, specifying the business to be conducted, shall be provided to the membership at least thirty days prior to the meeting.

3. Special or general meetings of the membership of the Organization may be called by the Board of Directors, or by the President upon written request of

twenty percent of the Full Comic Retail Members. Notice of the meeting shall have the same requirements as for an annual meeting.

4. Any voting matter presented to the voting membership of the Organization beyond the elections of Directors and Officers, a response of 20% of the voting members or 10 voting members, whichever is greater, constitutes a quorum whether the vote takes place in person at a meeting, or via mail or other written response methods determined in the procedures of the Board of Directors. The Board of Directors may establish methods of voting without a meeting as allowed by law. A majority of the responses, when a quorum is reached, is necessary to take formal action.

ARTICLE VIII – ADMINISTRATION

1. The Board of Directors may establish governing procedures consistent with the Bylaws of the corporation.
2. The Board of Directors may by two-thirds vote appoint an Executive Director to manage the day to day affairs of the corporation. The Board of Directors may change, remove or discharge any such Executive Director by a two-thirds vote. The Board of Directors shall, on a quarterly basis, review the activities and responsibilities of the Executive Director. The duties and responsibilities of the Executive Director are described in Attachment II.
3. The Board may enact, amend or repeal Bylaws suitable for the conduct of the business of the corporation at any meeting, with a two-thirds vote. The entire Board must receive notice of the proposed changes at least 15 days prior to the meeting where the voting will occur.
4. The Directors, Officers, employees and agents of the corporation shall be indemnified by the corporation to the fullest extent permissible by law against claims for liability arising in connection with their positions or activities on behalf of the Organization.

ARTICLE IX – DISSOLUTION

1. Dissolution of the Comics Professional Retail Organization may occur with the two-thirds vote of the voting membership present at a Special Meeting called for that purpose in which case all assets shall be distributed to one or more recognized and qualified charitable, educational or scientific organizations selected by the Board of Directors. Notice of the meeting shall be provided to the membership at least thirty days prior to the meeting date.

Attachment II

Executive Director

1. This attachment describes the present role, duties and authority of the Executive Director of ComicsPRO. The job description described herein is subject to modification by the Board of Directors by a two-thirds vote of the Board of Directors and such changes may be made in cooperative consultation with such individual as may then serve in the role of Executive Director.

2. The Executive Director is responsible for overseeing the day-to-day operations of the corporation, and implementing such policies as may be adopted by the Board of Directors. The Executive Director shall be responsible for general supervision of the affairs, properties, and operations of the Organization, and shall be the Organization's general manager responsible for management and control of the ordinary course of the operation of the Organization.

3. The Executive Director, in concert with the Board of Directors, is responsible for overseeing the orderly growth of the ComicsPRO member base. The Executive Director shall supervise the membership application process, the collection of membership dues or fees and notification of Members' status. The Executive Director is responsible for developing and implementing a fundraising plan; establishing, managing and administering the ComicsPRO financial accounts; and establishing policy related to ComicsPRO membership dues and benefits.

4. The Executive Director shall oversee the Organization's funds and records, shall prepare or review the preparation of any and all applicable tax returns and the filing of such, shall present a proposed budget on an annual basis to the Board of Directors, shall report on the financial condition of the Organization at all meetings of the Board and the membership of ComicsPRO. He or she administers a travel budget, and a discretionary budget, as established from time to time by the Board of Directors, to provide for the day-to-day costs of serving the administrative and technical needs of ComicsPRO.

5. The Executive Director acts to ensure that ComicsPRO operates in compliance with its duly adopted Bylaws, Policies, and Procedures, including those Policies described in Attachment I, the ComicsPRO Anti-Trust Compliance Policy.

6. The Executive Director shall prepare the agenda for and organize the Annual Membership Meeting, the annual Board of Directors meeting, and such regional trade shows as he or she is able to attend.

7. The Executive Director may execute and deliver in the name and on behalf of the Organization, deeds, mortgages, leases, assignments, bonds, notes, bills of sale, assignments, releases, receipts, contracts or other instruments of any kind or character, except any transaction that is valued in excess of \$5,000.00, which shall first be authorized by a majority vote of the Board of Directors.

8. The Executive Director, with the consent of a majority of the Board of Directors, may appoint or employ and discharge employees and agents of the Organization and fix their compensation. The Executive Director shall also manage and oversee all ComicsPRO volunteers and Member committees.

9. The Executive Director serves as the official spokesperson for ComicsPRO. He or she writes all Press Releases, Director's Letters, brochures and related public relations materials; grants print and broadcast media interviews as required; develops video and audio material for media distribution; represents The ComicsPRO at all public and industry functions; and develops public relations policy for ComicsPRO, subject to the approval of the Board of Directors.

10. Remuneration and conditions of employment will be delineated in a separate contract, as negotiated between the board and the Executive Director.

11. This Attachment II shall have the force and effect of Bylaws of ComicsPRO. They may be amended as necessary from time to time by the Board of Directors, subject to the provisions of Article VIII, Paragraph 3 of the Bylaws