



**BYLAWS**

**OF**

**MARYLAND**

**ASSOCIATION FOR**

**JUSTICE, INC.**



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**ARTICLE I - NAME AND PURPOSE**

SECTION 1. Name. The name of the organization shall be “Maryland Association for Justice, Inc.,” and shall be referred to, in abbreviation, as “MAJ.” It shall be a nonprofit, non-stock 501(c)(6) corporation organized under the laws of the State of Maryland.

SECTION 2. Mission. The Maryland Association for Justice is dedicated to improving and protecting the civil justice system through legislative advocacy and the professional development of trial lawyers.

**ARTICLE II - ASSOCIATION POWERS**

The governing powers of this association shall be vested in a board of governors.

**ARTICLE III - ASSOCIATION OFFICES**

The association’s headquarters shall be at such location as shall be fixed by the board of governors from time to time. The board of governors is authorized, in its discretion, to purchase, rent, or make other satisfactory arrangements for equipment for its headquarters, and to enter into such leasing arrangements as needed.

**ARTICLE IV - MEMBERSHIP**

SECTION 1. Voting Members. This association shall have one class of members with voting rights, as specified in these bylaws. The single class of voting members shall consist of the following categories of membership: regular and sustaining members who shall be differentiated only by the frequency and amount of dues paid to this association, as set forth herein. Each voting member shall be entitled to participate in all available membership benefits, services, and activities, subject to all applicable conditions and limitations.

1.1 Regular membership shall be open to any person duly admitted to the practice of law in any state and who is actively engaged in the practice thereof who:

1.1.1 Is of good moral character.

1.1.2 Does not devote more than 50% of his/her practice and whose law firm does not devote more than 50% of its practice to the defense of personal injury or negligence actions.

1.1.3 Is committed and devoted to the concept of a fair trial, the adversary system, and a just result for the injured, the accused, and those whose rights are jeopardized.

1.1.4 Continues payment of his/her membership dues.

1.1.5 Adheres to the objectives of the association and to the qualifications for membership and shall, in writing, subscribe to those objectives.

1.1.6 Does not, after becoming a regular member, devote more than 50% of his/her practice or join a law firm that devotes more than 50% of its practice to the defense of personal injury or negligence actions.

1.2 Sustaining membership is available to any regular member who pays the annual dues set for such membership.

**SECTION 2. Other Classes of Voting Membership.** The board of governors may create other classes of voting membership and shall establish procedures for the application and admittance to all classes of membership.

**SECTION 3. Non-voting Membership.** This association shall have one class of members without voting rights, as specified in these bylaws. The single class of non-voting members shall consist of the following categories of membership: honorary, paralegal, student, and subscribing. Non-voting members may not vote and may not be entitled to participate in all available membership benefits, services, or activities.

The four (4) categories of non-voting members in this association assigned to persons who qualify shall be as follows:

3.1 **Honorary Members:** Honorary membership may be conferred by unanimous vote of the board of governors. Honorary members may not hold office, nor shall they be required to pay membership dues.

3.2 **Paralegal Members:** A non-lawyer paraprofessional who assists attorneys in their legal work may be eligible for paralegal membership if he/she is employed by an MAJ member's office. He/she shall remain a paralegal member in good standing as long as he/she continues to be employed and perform legal work in an MAJ member's office, pays his/her dues as set by the board of governors, and continues to adhere to the objectives of the association and the qualifications for paralegal membership. Paralegal members may be eligible to serve on MAJ committees.

3.3 **Student Members:** A law student engaged in a course of study at an accredited law school or a law school graduate awaiting bar admission shall be eligible for Student Membership if he/she is of good moral character. He/she shall remain a student member in good standing as long as he/she continues the study of law at an accredited law school, pays his/her dues as set by the board

of governors and continues to adhere to the objectives of the association and the qualifications for student membership.

- 3.4 Subscribing Members: Any person who is licensed to practice law, and at the time of application or subsequently either they or their firm devotes more than 50% of his/her practice to the defense of personal injury or negligence actions shall be eligible for subscribing membership if he/she is of good moral character. He/she shall continue to be a subscribing member in good standing upon the payment of his/her periodic dues and the continued adherence to the qualifications for subscribing membership. Subscribing members may be eligible to serve on MAJ committees.

SECTION 4. Other Classes of Non-voting Membership. The board of governors may create other classes of non-voting membership and shall establish procedures for the application and admittance to all classes of membership.

SECTION 5. Transfer of Membership. Membership in the association is individual and is not transferable or assignable.

#### **ARTICLE V - MEMBERSHIP DUES**

Dues for each class of membership shall be in an amount fixed by the board of governors and shall be paid annually by the first day of January.

#### **ARTICLE VI - TERMINATION AND SUSPENSION OF MEMBERSHIP**

SECTION 1. Resignation. Any member may resign by submitting a written resignation to the president or executive director. Such resignation shall become effective on the date submitted, but does not relieve the resigning member from any financial obligations which he/she has to this association as of the date of resignation.

SECTION 2. Non-payment of Dues. Upon non-payment of dues for more than thirty (30) days, and following notice of suspension by the association, membership shall be terminated.

Any member whose association membership has been suspected or terminated for non-payment of dues may be reinstated upon receipt of payment of the appropriate dues, delinquent dues, and other fees, provided that such person meets the current requirements for membership in this association.

SECTION 3. Disbarment. A member who is disbarred in the State of Maryland shall automatically be removed from membership and may not be reinstated therein until such time as he/she is reinstated to the bar of the State of Maryland. He/she shall be reinstated to membership subject to the approval of the board of governors of this association, and such readmission to this association would be subject to a hearing conducted substantially in accordance with the provisions of Article VI § 5 below.

SECTION 4. Conduct Inconsistent with the Association's Purpose. A member may be suspended or terminated if the board of governors finds that a member shall have committed an act or engaged in conduct inconsistent with, or in violation of, the principles propounded in the association's purpose in Article I § 2. However, no such finding shall be made by the board of governors until a member shall have been duly notified and given the opportunity to explain and defend his/her actions at a hearing conducted substantially in accordance with the provisions of Article VI § 5 below.

SECTION 5. Expulsion, Censure or Suspension. A member may be expelled, censured, or suspended for unethical conduct or for misconduct which brings discredit to said member, the association, or the profession of law. This power shall rest exclusively with the board of governors, which may authorize the president to appoint a committee of three (3) to hear complaints or grievances made against a member. A member shall receive a thirty (30) day notice of any complaint made against said member. The notice shall specify the charges against the member and shall advise the member of the time and place of the hearing, which shall be held either before the board of governors or a committee appointed in accordance with this section. The member may appear and present evidence in his/her behalf. If the hearing is held before a committee, the committee shall report its findings to the board of governors, which shall then decide whether to expel, censure, or suspend the member. Expulsion, censure or suspension of a member shall require a two-thirds vote of the board of governors present and voting, provided there is a quorum.

SECTION 6. Refunds. Any member resigned, terminated, removed or suspended from membership shall not be entitled to any refund of dues.

## **ARTICLE VII - MEETINGS OF THE MEMBERS**

SECTION 1. Annual Membership Meeting. A meeting for the election of officers, board of governors, and AAJ governors and delegates shall be held annually during the spring of each year.

SECTION 2. General Membership Meeting. The president may call special meetings of the general membership at any time upon furnishing notice thereof to the membership of the time, place and subject of such special meetings.

SECTION 3. Special Meetings. Special meetings of the general membership shall be called at any time by the following parties:

3.1 The president.

3.2. The secretary-treasurer, upon the request by at least fifty-one percent (51%) of the board of governors.

3.3 The secretary-treasurer, upon the request by at least twenty-five percent (25%) of the voting members in good standing.

SECTION 4. Quorum. Twenty-five (25) members in good standing shall constitute a quorum for the passage of business at any general or special meeting of the regular membership.

SECTION 5. Proxy Voting. Voting may not be by proxy.

SECTION 6. Notice of Meetings of the Members. A notice stating the purpose, place, date and time of annual, general and special meetings shall be sent by mail, facsimile or electronic means to each active voting member in good standing of this association at least five (5) days prior to said meeting, except in the case of an emergency, as deemed by the board of governors. Notice shall be deemed to have been given to a member if sent by mail or other means of written communication addressed to the member's last known address.

### **ARTICLE VIII - RULES OF ORDER**

All meetings of the association, including meetings of the board of governors, shall be conducted in accordance with *Robert's Rules of Order* and in keeping with democratic principles and traditions so that each member shall have an opportunity to be heard and present his/her view for consideration of the entire body.

### **ARTICLE IX - OFFICERS AND DUTIES**

SECTION 1. Officers. The officers of the association shall be (1) president, (2) president-elect, (3) secretary-treasurer, and (4) parliamentarian.

1.1 Tenure. The term of office shall be for one (1) year following installation, or until a successor has been duly installed.

1.2 Non-contested Office of President. The president-elect who is elected each year shall automatically assume the office of president the following year.

1.3 Succession. The president shall not succeed him/herself as president unless the president-elect fills part of an unexpired term, in which case he/she may also serve the full term as president.

SECTION 2. Duties and Powers of Officers

2.1 President

2.1.1 Serves as chairman of the board of governors.

2.1.2 Presides at all general membership, special membership, and board of governors meetings.

2.1.3 Appoints all committees and chairs thereof and may exercise the right of their removal, including the chair, from said committees.

2.1.4 Acts as liaison with similar attorneys' associations in other jurisdictions, as well as other legal groups, associations, and legislative groups.

2.1.5 Has all powers and duties incidental to that office.

2.1.6 Oversees the association's strategic initiatives.

## 2.2 President-Elect

2.2.1 Succeeds to the position of president (uncontested).

2.2.2 Serves for the unexpired term thereof in the event of the president's death, resignation or inability to serve as the president, and shall automatically succeed as president the following year.

2.2.3 Presides at the annual, general and special membership, Executive Committee, and board of governors meetings in the absence of the president.

2.2.4 Performs such other and further duties as may be delegated by the president.

2.2.5 Serves as ex-officio member of all committees.

## 2.3 Secretary-Treasurer

2.3.1 Records the minutes, or approves minutes recorded by his/her delegate, of all board of governors, general and special membership meetings, and ensures the preservation of such records.

2.3.2 Submits a copy of membership and board of governors meeting minutes to the board of governors at the next regularly scheduled meeting of the board of governors.

2.3.3 Serves as the custodian of all association funds, and shall annually make suitable arrangements for the establishment of insured bank accounts as depositories of such funds in recognized banking establishments. Withdrawals from such depositories shall be only upon the signatures of the secretary-treasurer, executive director, or any other officer who shall have been so authorized by the board of governors.

2.3.4 Oversees the record keeping of regular books and accounts which will readily reflect the financial condition of the association, as well as a record of all receipts and disbursements.

- 2.3.5 Oversees the submission of such financial books, records, and statements for periodic audit.
- 2.3.6 Furnishes monthly financial reports to the board of governors.
- 2.3.7 Collects or causes to be collected all dues and forwards notices for payment of same. At least once per year, shall review the association's investment portfolio.
- 2.3.8 Serves as *de facto* chair or vice chair of the Membership and Education and Programs Committees.
- 2.3.9 Performs such other and further duties as may be delegated by the president.

#### 2.4 Parliamentarian

- 2.4.1 Advises the presiding officer on questions of parliamentary procedures in accordance with *Robert's Rules of Order*.
- 2.4.2 Performs such other and further duties as delegated by the president.
- 2.4.3 Ensures members have the opportunity to be heard and present their views for consideration.
- 2.4.4 Serves as *de facto* chair or vice chair of the Sponsorship Committee.

### SECTION 3. Vacancies in Office. Notice of a vacancy in any office shall be given, in writing, to the Executive Committee.

- 3.1 If there is a vacancy in the office of the president, the president-elect shall serve out the remaining term.
- 3.2 If there is a vacancy in the office of president-elect, the secretary-treasurer shall assume the office of president-elect.
- 3.3 If there is a vacancy in the office of secretary-treasurer, the parliamentarian shall assume the office of secretary-treasurer, and the vacancy created in the office of parliamentarian shall be filled by the following procedure:
  - 3.3.1 The most recently assembled Nominating Committee shall reassemble as soon as possible after the vacancy occurs, and shall nominate one or more candidates to fill the vacancy.
  - 3.3.2 The vacancy shall be filled by the board of governors in attendance at the second regularly scheduled board of governors meeting following such notice, provided a quorum is present.

SECTION 4. Removal of Officer and Governor. Any officer or board of governor may be removed from his/her elected position by a two-thirds (2/3) vote of the board of governors present at any meeting, provided a quorum shall then be present; and provided further that notice in writing shall have been transmitted to the board of governors and the charged member at least ten (10) days prior to said meeting.

4.1 Causes for Removal. Removal shall be predicated upon one or more of the following reasons:

4.1.1 Failure to attend three (3) consecutive meetings of the board of governors unless excused by the president or in his/her absence, the president-elect, upon good and sufficient cause.

4.1.2 Upon the finding that the person shall have committed an act or engaged in conduct inconsistent with the powers and/or duties of an officer or governor or in violation of the principles propounded in the bylaws.

4.1.3 Is no longer a regular member of the association.

SECTION 5. Resignation. Any officer may resign at any time by giving written notice to the Executive Committee and the board of governors of this association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein.

## **ARTICLE X - ELECTION OF OFFICERS AND GOVERNORS**

SECTION 1. Positions Eligible for Election. The offices to be filled by elections shall be president-elect, secretary-treasurer, parliamentarian, governors, American Association for Justice (AAJ) governors, AAJ state delegates, and AAJ minority caucus delegate.

SECTION 2. Qualifications of Officers and Governors. Elected officers and governors must be members of the association at the time of nomination and election and must remain active members in good standing during their term of office. Failure to maintain such status shall immediately create a vacancy in the office involved. Other criteria may be created by the Nominating Committee or board of governors.

2.1 Any person seeking a position as an officer shall present sufficient evidence of experience as a trial lawyer. Sufficient evidence shall be established if the applicant has least 30 days of trial experience according to the criteria set forth in section 2.2 below. The applicant shall present a signed form to the Nominating Committee as part of their application listing trial experience that would qualify as sufficient evidence.

2.2 Sufficient evidence of trial experience, for purposes of qualification to be an officer, shall be satisfied if the applicant has 30 days of trial experience. Trial experience shall be quantified in the following manner:

2.2.1 Jury Trial Lead Counsel. Every full day, or any part thereof, of jury trial experience in which the applicant acted as lead counsel shall constitute one day of trial experience.

2.2.2 Jury Trial Non-Lead Counsel. Every full day, or any part thereof, of jury trial experience in which the applicant participated in the trial but was not lead counsel shall constitute one half day of trial experience.

2.2.3 Non-Jury Trial. Every full day, or any part thereof, of non-jury trial experience shall constitute one half day of trial experience. By way of example, a district court trial, contested workers' compensation commission hearing, or contested administrative hearing shall constitute one half day of trial experience.

2.2.4 Every applicant shall have at least two days of trial experience, according to the terms set forth above, in a jury trial.

2.2.5 An applicant may seek a waiver to the "sufficient evidence" requirement if they practice and/or have practiced complex civil litigation which does not lend itself to traditional trial experience, but nonetheless would demonstrate the desired trial experience. Examples may include attorneys who litigate class actions, pharmaceutical litigation, multi-district litigation, and the like.

SECTION 3. Nominations for Officer Positions. The slate of candidates for president-elect, secretary-treasurer, parliamentarian, governors, and AAJ representatives shall be nominated by the Nominating Committee.

3.1 The Nominating Committee shall consist of the immediate past president, president, president-elect and four (4) governors or past presidents (eligible to vote in accordance with Article XI, § 6 below), two of which (2) shall be appointed by the president and two of which (2) shall be appointed by the president-elect.

3.2 The president shall announce the committee members no later than the third week of November each year.

3.3 The Nominating Committee shall offer one nominee for each office.

3.4 The list of nominees shall be submitted to the regular membership at least sixty (60) days prior to the date of election.

3.5 Any regular member in good standing of the association not on the Nominating Committee slate who is eligible to hold office may file a notice of intention to run for a particular office or membership on the board of governors, provided that such notice is filed in writing with the executive director of the association at least thirty (30) days in advance of the election.

3.6 No member can hold or be nominated for more than one officer or governor position at the same time.

SECTION 4. Contested Positions. Individuals who are nominated for office shall be deemed automatically elected if their office is not contested. If the office is contested, said position shall be elected by secret ballot at the general membership meeting to be held each spring. Only members whose dues have been paid and who have been regular members for at least sixty (60) days prior to the election will be eligible to vote. The ballots shall be counted by the Nominating Committee on the day or night of the election. The candidate receiving the highest number of votes for each office certified by the chair of the Nominating Committee shall be declared elected. The chair of the Nominating Committee shall announce the results of the election as soon as all the votes have been counted.

SECTION 5. Board of Governors. One half of the membership of the board of governors shall stand for election each year.

SECTION 6. Miscellaneous. When applicable, the nomination and election of representatives to the AAJ board of governors, state delegates, and minority caucus delegate shall be handled in the same manner as set out above.

## **ARTICLE XI - BOARD OF GOVERNORS**

SECTION 1. Board of Governors Powers. The board of governors shall have full power and authority to perform all acts and functions on behalf of the membership during the period between general and special membership meetings. Disapproval of action of the board of governors shall be upon receipt of two-thirds (2/3) vote of the regular membership in attendance and who are eligible to vote at a general or special membership meeting, provided a quorum shall be present. This action shall be binding upon the board of governors.

SECTION 2. Size and Terms.

2.1 The board of governors of this association shall consist of no more than 30 governors, as well as the officers as set forth in Article IX.

2.2 Except as otherwise stated herein, governors shall serve two-year terms.

SECTION 3. Meetings. The board of governors shall hold at least eight (8) meetings from July through June at the MAJ office or other places that are conducive to private meetings.

SECTION 4. Special Board of Governors Meetings. Special meetings shall be held upon the request of the president and/or the written request of any five (5) members of the board of governors.

SECTION 5. Board of Governor Meeting Notice. Notice of any board of governors meeting shall be given at least two (2) weeks in advance. Any governor may waive notice of any meeting. The attendance of a governor at a meeting shall constitute a waiver of notice of such meeting, except where a governor attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 6. Composition. The membership of the board of governors shall include the elected officers enumerated in Article IX and, in addition, the past presidents of the association. However, a past president, specifically excepting the immediate past president, shall have no vote and not count in establishing a quorum, unless he/she has attended at least four (4) meetings of the board of governors during the last 11 meetings.

SECTION 7. Quorum. Ten (10) members of the board of governors, including the elected officers, immediate past president and past presidents who have attended at least four (4) board of governors meetings during the previous 11 meetings, shall constitute a quorum.

SECTION 8. Vacancy. Vacancies occurring in the board of governors or AAJ representatives between elections shall be filled by the board of governors.

SECTION 9. Executive Committee. The president shall nominate, for approval by the board of governors, an Executive Committee of no fewer than seven (7) members of the association, which must include the president, president-elect, secretary-treasurer, immediate past president and MAJ PAC chair. The committee shall be empowered to conduct business as necessary between meetings of the full board of governors. Between meetings of the board of governors, the Executive Committee shall exercise the full powers of the board of governors except that it may not amend the bylaws. Additional members of the Executive Committee must be governors or active past presidents of the association.

SECTION 10. Manner of Acting. The act of the majority of the governors present at a meeting at which a quorum is present shall be the act of the board of governors.

SECTION 11. Compensation. No governor or officer shall for reason of his/her office be entitled to receive any salary or compensation from the association, but nothing herein shall be construed to prevent a governor or officer from receiving any compensation from the association for duties other than as a governor or officer.

SECTION 12. Presumption of Assent. A governor of the association who is present at a meeting of the board of governors at which action on any association matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be

entered in the minutes of the meeting or unless he/she shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the secretary of the association immediately after the adjournment of the meeting. Such right to dissent shall not apply to governors who voted in favor of such action.

SECTION 13. Resignation. Any governor may resign at any time by giving written notice to the board of governors, president, or secretary-treasurer of this association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 14. Special Requirements.

14.1 All officers, governors, AAJ representatives, section chairs, committee chairs, and active past presidents must sign annually all of the following board of governors approved documents: conflict of interest statement, ethics statement, standards of conflict, and duties and responsibilities.

14.2 Unless exempted by the Executive Committee, all officers, governors, and AAJ representatives must participate in MAJ's Legislative Leaders' Circle and be a member of AAJ.

## **ARTICLE XII – COMMITTEES AND SECTIONS**

SECTION 1. Formation. The board of governors may, from time to time, establish, abolish, and amalgamate standing committees and sections.

SECTION 2. Composition. Each standing committee and section shall have at least two co-chairs, or, alternatively, a chair and vice chair, and at least four (4) regular members. The president shall appoint the co-chairs, or chair and vice chair, of each standing committee and section.

SECTION 3. Special Committees. The president or board of governors may establish special or ad hoc committees. All members of such committees shall be appointed for a one (1) year term.

SECTION 4. Vacancy. Any committee or section chair vacancy, standing, special or ad hoc, shall be filled by the president from the regular membership of the association.

SECTION 5. Compensation. No committee or section chair or committee member shall for reason of his/her office be entitled to receive any salary or compensation from the association, but nothing herein shall be construed to prevent a committee or section chair or committee member from receiving any compensation from the association for duties other than as a committee or section chair or committee member.

SECTION 6. Special Requirements.

6.1 All section and committee chairs must sign annually all of the following board of governors approved documents: conflict of interest statement, ethics statement, standards of conflict, and duties and responsibilities.

6.2 Unless exempted by the Executive Committee, all co-chairs of sections and standing committees must participate in the association's Legislative Leaders' Circle.

**SECTION 7. Tenure.**

7.1 The term of any section or committee co-chair shall be for no greater than four consecutive years.

**ARTICLE XIII - EXECUTIVE DIRECTOR**

**SECTION 1.** The board of governors may authorize the employment of an executive director and shall specify his/her powers, duties, and compensation.

**SECTION 2. Duties.** In addition to the duties stated elsewhere in the bylaws, the executive director shall manage and direct all activities of this association as prescribed by the board of governors. To carry out these responsibilities, the executive director is expected to manage the association's facilities, assets, personnel, records and accounts, implement association policies, and administer association programs, services, and activities.

**SECTION 3.** The executive director shall serve as an advisor to the board of governors and as an ex-officio member of the Executive Committee without the power to vote. The executive director shall, unless excused by the presiding officer, attend all meetings of this association and the board of governors, and shall cause minutes of the same to be distributed to the members of the board of governors.

**ARTICLE XIV - INDEMNITY**

**SECTION 1.** The association shall indemnify its governors, officers, active past presidents, members of the Executive Committee, and employees as follows:

1.1 Every officer, governor, active past president, member of the Executive Committee, or employee of the association shall be indemnified by the association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he/she may be made a party, or in which he/she may become involved, by reason of his being or having been a director, officer, employee, or agent of the association or is or was serving at the request of the association as a governor, officer, employee or agent of the association, partnership, joint venture, trust or enterprise, or any settlement thereof, whether or not he/she is a governor, officer, employee or agent at the time such expenses are incurred, except in such cases wherein the governor, officer, or employee is adjudged guilty of willful misfeasance or malfeasance in the

performance of his/her duties; provided that in the event of a settlement the indemnification herein shall apply only when the board of governors approves such settlement and reimbursement as being for the best interests of the association.

1.2 The association shall provide to any person who is or was a governor, officer, employee, or agent of the association, or is or was serving at the request of the association as a governor, officer, employee or agent of the association, partnership, joint venture, trust or enterprise, the indemnity against expenses of suit, litigation, or other proceedings which is specifically permissible under applicable law.

1.3 The board of governors may, in its discretion, direct the purchase of liability insurance by way of implementing the provisions of this Article XIII.

## **ARTICLE XV - CONFLICTS OF INTEREST**

SECTION 1. Purpose. The purpose of the “Conflict of Interest” policy is to protect this tax-exempt association’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or governor of the association 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 application to nonprofit and charitable organizations.

SECTION 2. Definitions.

2.1 Interested Person. Any officer, governor, or Executive Committee member, who has a direct or indirect interest, as defined below, is an interested person.

2.2 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (a) an ownership or investment interest in any entity with which the association has a transaction or arrangement, (b) a compensation arrangement with the association or with any entity or individual with which the association has a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the association is negotiating a transaction or arrangement.

2.3 Other Interest. A person who has a direct or indirect interest in an issue, legislation, or course of action of the association shall recuse him/herself from the discussion.

2.4 Compensation. 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. Under Section 3.2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### SECTION 3. Procedures.

3.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose in writing the existence of the interest and be given the opportunity to disclose all material facts to the board of governors and members of the Executive Committee considering the proposed transaction or arrangement.

3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the interest and all material facts, and after any discussion with the interested person, he/she shall leave the board of governors or Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board of governors or committee members shall decide if a conflict of interest exists.

#### 3.3 Procedures for Addressing the Conflict of Interest.

3.3.1 An interested person may make a presentation at the board or governors or Executive Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

3.3.2 The chairperson of the board of governors or Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3.3.3 After exercising due diligence, the board of governors or Executive Committee shall determine whether the association 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.

3.3.4 If a more advantageous transaction, arrangement, or position is not possible without producing a conflict of interest, the governors or committee by a majority vote of the disinterested governors shall determine whether the transaction, arrangement or position is in the association's best interest, for its own benefit, and whether it is fair and reasonable.

#### 3.4 Violations of the Conflicts of Interest Policy.

3.4.1 If the board of governors or Executive Committee 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.

3.4.2 If, after hearing the member's response and after making further

investigation as warranted by the circumstances, the board of governors or Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. Records of the Proceedings. The minutes of the board of governors or Executive Committee shall contain: (a) the names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest is present, and the board of governors or Executive Committee's decision as to whether a conflict of interest in fact exists; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction, arrangement, or position, and a record of any votes taken in connection with the proceedings.

SECTION 5. Annual Statements. Each officer, governor, and member of the Executive Committee shall annually sign a statement which affirms such person: (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands the association is charitable and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 6. Periodic Reviews. To ensure the association operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects: (a) whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and (b) whether partnerships, joint ventures, and arrangements with management organizations conform to the association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

SECTION 7. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 6, the association may use outside advisors if deemed necessary. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring that periodic reviews are conducted.

## **ARTICLE XVI - CONTRACTS, LOANS, CHECKS AND DEPOSITS**

SECTION 1. Contracts. The board of governors may authorize the executive director to enter into any contract or execute and deliver any instrument in the name of and on behalf of the association, and such authority may be general or confined to specific instances.

SECTION 2. Loans. No loans shall be contracted on behalf of the association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of governors. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the association shall be signed by such officer or officers, agent or agents of the association and in such manner as shall from time to time be determined by the association's fiscal policies and procedures.

SECTION 4. Deposits. All funds of the association not otherwise employed shall be deposited to the credit of the association in such banks, trust companies or other depositories as the board of governors selects.

#### **ARTICLE XVII - FISCAL YEAR**

The fiscal year of the association shall begin on the first day of July and end on the last day of June each year.

#### **ARTICLE XVIII - CORPORATE SEAL/LOGO**

The board of governors may, at its discretion and with prior approval, authorize the use of the association's corporate seal/logo.

#### **ARTICLE XIX - WAIVER OF NOTICE**

Unless otherwise provided by law, whenever any notice is required to be given to any board of governors of the association under the provisions of these bylaws, under the provisions of the Articles of Incorporation or under the provisions of the applicable Business Association Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### **ARTICLE XX - AMENDMENTS**

These bylaws may be altered, amended, or repealed and new bylaws adopted, when necessary, by two-thirds (2/3) vote of the association's regular membership present at any meeting called for such purpose, provided such proposed bylaws or amendments thereto shall have been submitted in writing and the text thereof mailed to all regular members at least thirty (30) days before said meeting.

The above bylaws were approved by the board of governors and subject to approval by the membership of the Maryland Association for Justice, Inc., as of September 17, 2020.

David A. Muncy, Secretary