



## By-Laws

### Partners

1. Each partner is required to maintain an Internet accessible e-mail account. This account should be reviewed daily if possible. It is the intention of the club to distribute documents, and conduct quick reaction business via e-mail.
2. Each partner is required to attend monthly meetings. The secretary will notify partners of their attendance status after each absence, within 7 days of the meeting. After the 4<sup>th</sup> missed meeting within a term (January through December), the secretary will issue a letter stating the partner is in violation of the club by-laws. At the 5<sup>th</sup> occurrence, the club reserves the right to vote the absent partner out of the club.
3. Each partner is required to pay the annual fee during the January meeting. Each partner is required to pay the monthly contribution at each meeting. Late and missing payments may be assessed a \$5 weekly charge until payment is received.
4. Each partner shall be assigned at least one stock to study and/or track. Each quarter the partner is required to present the metrics data for this stock collected from an appropriate source within the last 10 working days. All partners will participate in stock teams. Each team is responsible for reporting on at least one new stock during their assigned month. Metrics include: Stock Selection Guide (SSG) & Report, PERT & Worksheets A & B, Challenge Tree, Stock Comparison Guide, Stock Checklist, and PMG analyses. Reports not turned in at the assigned meeting are considered late. Late or missing reports may be assessed a \$2 fee if received within a week after the meeting otherwise an additional \$8 fee will be assessed. When a team is involved, each partner is assessed the \$2 and \$8 fee. It is preferred that the studies are provided to the portfolio manager one week before each meeting.
5. Each partner is required to make a presentation at least once a term. The presentation can be based on a Better Investing sponsored class or approved articles & topics. Failure results in a \$20 non-participation fee.
6. Each partner will run for office at least once every 3 terms. Any partner who does not hold an elected position for more than three consecutive years will pay a fee of \$10 x number of years for not holding an office annually.
7. Each partner is required to participate in voting. Should a partner not be able to attend a meeting, they are required to give their input or proxy either in writing, e-mail or by fax to a partner of the club prior to the meeting. Missing proxies will be assessed a \$4 fee.
8. Each partner is required to sign or provide a power of attorney for signing the partnership agreement, and by-laws each term, and when joining the club. The brokerage forms will be signed when the partner acting as treasurer changes.
9. Actions items listed in the club minutes and club assignments are due on their specified date. Failure to submit action items may result in a \$2 per item late fee. An additional \$8 fee will be assessed if not turned within the week after the meeting.
10. A partner is believed to be in good standing when they meet the following criteria.
  - i. No Outstanding Fees (**fees incurred at the meeting are paid within 7 days of the meeting**)
  - ii. Active – Not frozen, or locked

Any club partner failing to meet the above stated criteria or conditions written in the partnership agreement; by-laws or mission statement could be considered in violation of the club and are subject to penalties and removal. Notice of fees will be available to each partner within 7 days of the meeting.

### Suspended Accounts

- i. **Frozen:** Upon written request, at least one week prior to the monthly meeting, a club partner in good standing may ask to freeze their account for up to 6 months. Reasons may include, but are not limited to pregnancy or maternity leave, long-term absence from a computer, long-term hospitalization or disability. If approved by 2/3 vote of the club, the requesting partner's capital account will be frozen. A proxy or power of attorney must be submitted covering the frozen period. Contributions, withdrawals, attendance, and all other club activities, and responsibilities will not occur for this partner. The number of value units will remain the same except for club distributions. The value of the capital account may fluctuate depending on the clubs portfolio, tax liabilities, capital gains, dividends and accounting corrections. **No partner regardless of their present status is excused from complying with tax laws.** The frozen partner shall notify the club in writing when they wish to reactivate their account. If at the end of the suspended time the partner is not approved for an extension, and does not

return to active status, the club may remove the partner. All withdrawal fees apply. Frozen partners will have 30 days to accept changes to the club documents. If the frozen partner does not accept changes their account may be closed.

**ii. Locked Accounts:** When a partner’s outstanding fees reach \$50, their account is locked. A locked account cannot be used for contributions or withdrawals. The partner has 3 months to pay the fees and return to active status, or formally terminate partnership with the club. If fees are not received, or the partner does not terminate, within 3 months, the account will be closed, and the partner removed from the club. The secretary will notify partners when their account locks, and send monthly reminders until payment or termination forms are received, or partner is removed.

**Meetings**

Monthly meetings will be held the 2nd Tuesday of each month or as determined by the partners. Notice of each meeting will be given to each partner at least one week before the meeting. The president upon notice to the other partners may call special meetings. Partners arriving late can be assessed a \$4 tardy fee.

**Voting**

Occasionally the partners will deem it necessary for the club to vote on specific issues. When this occurs, each partner is entitled to one vote. To pass an issue, two-thirds of the votes are required.

**Funds & Fees**

The initial and annual fee will cover the costs of Better Investing club and individual memberships, Better Investing classes, club operating costs, and other club expenses. These fees shall be kept in the club's bank account and are non-refundable. Fees are not deposited into capital accounts. The funds in the petty cash account pays for food, club sponsored events, & non tax-deductible business expenses.

1. The effective date of all deposits is the first day of the month in which the deposit(s) are made.
2. The effective date of withdrawals is the next to last day of the month in which the withdrawal is requested. The valuation of the withdrawal is dependent upon when it was sent in relation to the meeting. If you withdrew before the meeting, fees assessed, if any, from the prior month will apply. If you withdraw at the meeting, then all contributions, fees for the current month will apply. Only one withdrawal will be processed per day. If more than one withdrawal is received in the same month they will be processed in the order received. If received at the same time the treasurer will decide the processing order.
3. All interest, earnings, and losses will be distributed on a per dollar basis.
4. Fees may be waived upon written request and approval of two-thirds of the active partners.

**Early Withdraw Fees**

10% 0 - 2 yrs, regardless of age	Plus cost of sale
5% 3 - 5 yrs in the club	Plus cost of sale
3% 6 – 10 yrs in the club	Plus cost of sale
2% 11 – 15 yrs in the club	Plus cost of sale
1% 16 – 20 yrs in the club	Plus cost of sale
0% 21 – 25 yrs in the club	Cost of sale
0% 26+ yrs or 59 yrs old	No penalty
10% Involuntary Removal Penalty	

**Penalties & Fees**

\$30 Returned Check
\$5 Weekly Late Payment
\$2 Late SSG/PERT and \$8 No SSG/PERT
\$2 Late and \$8 No Assignment
\$4 No Proxy or Tardy Attendance
\$20 Missed Yearly Report
\$10 per year for no office held > 3 years

**Annual Expenses**

\$40 Better Investing yearly membership
\$25 ea. Individual Better Investing membership
\$118 Better Investing Insurance Bond
\$99 Bivio Online Accounting
\$35 GenXchange.com Hosting
\$550 Online Stock Research Service
\$200 Better Investing Classes / Study Course
\$200 Picnic and Banquet

**Occasional Expenses**

\$18 Each Trade w/Ameritrade
\$99 SSG Toolkit Software (WIN)
\$15 DBA, state filing (10 years)
TBD Better Investing Tools & Books
TBD Office Supplies
\$100 Activities, Contests and Awards
TBD Guest Speakers
\$4 Club Assessment

**Incentives**

1. **New Partner:** \$10 will be added to the capital account of the partner who recommends an approved new partner. The new partner must be in good standing their first three months and an award request must be received by the partner within six months of the new partners approval.
2. **New Stock:** \$10 will be added to the capital account of the partner who recommends a stock that is purchased by the club. This applies to the first time purchase only. The award amount can be split between teammates.
3. **Education:** GenXchange will reimburse partners in good standing for classes attended, provided a report, receipt and request is presented to the club within two months and funds are available. Classes over \$10 require pre-approval of the club.
4. **Assignments:** A partner who complete missing SSGs will receive \$8 if completed a week before the meeting following the original due date. A partner completing missing assignments or officer duty will receive \$4 if completed a week before the meeting following the original due date.
5. **Stars Program:** The stars are worth \$2 each and are placed into the partner's capital account at the end of the year.
  - i. **Stars** are given to partners who participate in club verification, partners with quarterly perfect attendance, payments, or assigned stock reports. Perfect attendance means on time attendance to each meeting, and perfect assigned stock reports are turned in completed (SSG, PERT, in buy zone (new stocks), etc.) and one week prior to the meeting. An additional star is given for each article/class report over the minimum requirement (limit 4). Non-assigned stock reports get 1 star each pending approval (limit 4). When a new partner is accepted in to the club, the mentor will receive 1 star. Teams may give one star quarterly to the partner with excellent participation.

### **Payments**

All club payments should be by check made out to TD Ameritrade. If a partner will not be able to make payment at the meeting, they may ask the treasurer to use a check from the extra check binder. Partners may place checks made out to TD Ameritrade in the binder to use in order to avoid the late payment penalty. Only full payments will be accepted.

### **Valuation Statements**

A current statement will be available on each meeting day. The valuation is set for the last day of each month. Statements will be a partner's receipt of deposits and withdrawals and a record of their account. Partners will have 30 days after the statement date to report any perceived discrepancies to the treasurer and president. The decision made by the treasurer and president as to the discrepancy is final. A partner may request a statement at any time. Earnings will be reflected on the statement of the month in which they are received.

### **Guests**

The president or vice president must approve guests invited by partners other than prospective new partners. Professional speakers may be invited to the club to aid in the education of its partners.

### **Officers**

The term of each office is 1 year, January through December. Elections shall be held in November of each year. A partner may hold the same office any number of full terms as long as the full terms are not consecutive for more than 2 years. A partner may hold more than 1 office during the term. Once elections are held, all partners must re-sign this document. Each officer is responsible for maintaining an officer binder. This binder will contain all documents, and procedures required to perform the duties of that office. The binder will be transferred to each newly elected officer. Each officer is also required to attend officer meetings organized by the president. Should an officer be removed from office, an immediate election will be held to fill the vacant position. Officers act as the back up for all club duties and assignments. If an assigned duty is not completed within a month after the due date, the officer in charge will complete the assignment and receive 1 star for action items and 2 stars for stock studies. Failure to complete officer duties can result in \$4 late fee and \$8 missing fee.

### **President**

The president shall preside at any meetings of the partnership keeping them on track and timely. The president shall create a 12-month calendar with goals and a budget once each term (year). Monthly agendas are due at least one week prior to the meeting. The president will ensure that all club & officer actions and goals are completed or reassigned. The president will schedule officer meetings and attend the annual Better Investing president's meeting.

The president in coordination with the treasurer shall also have the final vote with all account disputes. The president shall keep a backup of all club passwords. It is the president's duty to uphold the partnership agreement, by-laws, and mission statement documents, and assign the yearly club verification and ensure DBA is up-to-date and filed with County Clerk. The president elect must have been a member for 1 full term prior to taking office.

**Public Relations (Optional)**

The public relations officer shall secure meeting venues, and arrange special club events, activities, contests and outings. The PR officer shall prepare & maintain new partner kits, and develop partner recruitment and retention programs. The PR officer organizes guest and new partner orientation and acts as a liaison with other area clubs. The club records, education, activities, and other investment links will be maintained on a website administered by the appointed web master. The PR shall manage files storage including backup, deleting, uploading files.

**Vice President**

The vice president shall perform any and all duties of the president in his/her absence or inability to act. The vice president shall inform partners of Better Investing seminars, and conduct the education of club partners. The vice-president will invite guest speakers to enhance partner knowledge and participation. The vice-president will supply a 12-month educational outline in December of each term. The vice president will hold at least 3 educational meetings during the normal club time and maintain a library of education materials. The vice president shall also perform such additional duties as may be assigned to him/her by the partnership.

**Secretary**

The secretary is responsible for keeping a record of all votes taken as well as minutes of any meetings that are held. The secretary is also responsible for the club partnership files including club contact binder and/or manual, forms, and signed documents. The secretary shall add new members to applicable software and/or applications (i.e. Bivio, Better Investing Roster, yahoo, etc.). The secretary will notify the partners of all club activities in advance of their start date. Produce and distribute quarterly partnership status reports. Send violations letters within 1 week of meeting. The secretary shall track stars. The secretary elect must have been a member for 1 full term prior to taking office.

**Assistant Secretary (Optional)**

The assistant secretary shall perform any and all duties of the secretary in his/her absence or inability to act. The assistant secretary will aide the secretary with preparing the minutes, and other club paperwork and forms.

**Treasurer**

The treasurer shall keep accounts of all funds received and disbursed by the club, including but not limited to, individual accounts, and statements, and shall deposit all funds in the name of and to the credit of the club in such banks or depositories. The account records should be updated within 7 days of each transaction. Partner contributions and club purchases should be made within 7 days of the meeting. The treasurer will act as liaison to the broker. The treasurer shall present club status reports detailing the club portfolio at each meeting. Quarterly the brokerage statements shall be made available for review by the club. The club tax return and partner's K-1s will be made available by the 15<sup>th</sup> of March of each term. Two people will verify that the tax return is done and signed off, and a star will be deposited into their account. The treasurer will attend the Treasurer's Workshop unless the current treasurer already took the class. When new versions and account methods are deployed, all current treasurers should retake the class. The treasurer shall assist with the annual club audit. The treasurer shall track fees and stars. The treasurer elect must have been a member for 1 full term prior to taking office.

**Assistant Treasurer (Optional)**

The assistant treasurer shall perform any and all duties of the treasurer in his/her absence or inability to act. The assistant treasurer shall aid the treasurer with tax preparation, brokerage account management, and record keeping. The assistant treasurer shall also review the brokerage statement. A checklist of accounting procedures and bookkeeping techniques will be maintained for future treasurers. The assistant treasurer will create payment receipts. The assistant treasurer will also provide a monthly-categorized cash flow statement based on the budget. A quarterly maximum contribution report shall be generated and distributed. The assistant treasurer will attend the Treasurer's Workshop unless the current assistant treasurer already took the class. When new versions and account methods are deployed, all current treasurers should retake the class.

**Portfolio Manager**

The portfolio manager shall keep a record of the club portfolio. The portfolio manager shall assign reports on industry trends, and lead discussions concerning the diversification of the club portfolio. A 12-month portfolio review schedule is due at the December meeting of each term. The portfolio manager shall assign stocks to be studied and prepared to the club partners. All assignments will be made within one week of the meeting, and are due one week before the meeting. The portfolio manager will provide PERT, PMG, and Cost Basis reports at each meeting.

**By-Law Amendments**

The by-laws may be amended by a 2/3 vote by partners in the club. Amendments to the by-laws require a written submission one month to the members for discussion, and then voted on the next month. The requirements of a written submission can be waived if all members are present and unanimously vote to waive the in writing/one month wait requirements.

The undersigned agree to follow and uphold the BY-LAWS, PARTNERSHIP AGREEMENT and MISSION STATEMENT & MANAGEMENT STRATEGIES of GenXchange Investment Club. Each partner is responsible for the information contained within the above stated legally binding documents.

_____ President	_____ Date	_____ Vice President	_____ Date
_____ Secretary	_____ Date	_____ Assistant Secretary	_____ Date
_____ Treasurer	_____ Date	_____ Assistant Treasurer	_____ Date
_____ Portfolio Manager	_____ Date	_____ Public Relations	_____ Date
_____ Partner	_____ Date	_____ Partner	_____ Date
_____ Partner	_____ Date	_____ Partner	_____ Date
_____ Partner	_____ Date	_____ Partner	_____ Date
_____ Partner	_____ Date	_____ Partner	_____ Date
_____ Partner	_____ Date	_____ Partner	_____ Date
_____ Partner	_____ Date	_____ Partner	_____ Date