

# **Bylaws**

of HAWAIIAN COLLECTORS ASSOCIATION, INC  
as amended December 2011

## **ARTICLE ONE NAME AND LOCATION**

1.1 Name. The name of this Association shall be the Hawaiian Collectors Association, Inc. (Association), also known as HCA, and it shall be incorporated under the laws of the State of Hawaii as a non-profit corporation without capital stock.

1.2 Location. The principal office of the Association shall be located at the place of business of the Treasurer of the Association.

## **ARTICLE TWO PURPOSE OF THE ASSOCIATION**

2.1 Purpose. The purpose of the Association shall be to:

2.1.1 Serve as a collective voice of the members on legislative and regulatory issues which impact the members' delivery of credit and collection services;

2.1.2 Provide educational opportunities and services which further and promote the optimum delivery of credit and collection services and the professional development of Association members;

2.1.3 Prescribe and enforce a code of conduct and ethics;

2.1.4 Facilitate member communications and operations among and between the members, the Association and ACA International;

2.1.5 Assist members in serving their communities and meeting the challenges created by changing markets through leadership, direction, education and service.

## **ARTICLE THREE MEMBERSHIP**

3.1. Membership Qualifications. Any person, firm, or corporation operating from an office located in the State of Hawaii who is actively engaged in the collection agency profession and who subscribes to and practices the Code of Ethics and Rules of Conduct adopted by the members of this Association may become a member upon satisfaction of the following requirements:

- 3.1.1 Full compliance with all membership requirements of ACA International;
- 3.1.2 Full compliance with the licensing and regulatory requirements of the State of Hawaii registration or licensure with the State of Hawaii Department of Commerce and Consumer Affairs as a collection agency.

Each application for membership will be approved by the Association's membership committee. Each applicant must meet all requirements.

3.2 Membership Status. Except in the case of Special Membership Categories, membership shall be construed by this Association to mean that the agency itself holds the membership. The member agency must designate its particular representative to act on its behalf in Association affairs. The designee may appoint a proxy to act in behalf of the member agency provided the appointment of the proxy is in proper written form. Membership in the Association is not transferable.

3.3 Special Membership Categories. This Association shall recognize Special Membership Categories.

3.3.1 There shall be a special category of membership known as Honorary members. Honorary membership may be conferred upon any person who is not active in the collection field, but who has made noteworthy achievement in, contribution to, and furtherance of the Association and the collection profession.

Membership in this category shall not confer the right to vote in any matters of business of this Association upon the member.

3.3.2 There shall be a special category of membership known as Retired Collector members. Any person who has retired as owner, partner, corporate officer or manager of a member agency in good standing at the time of retirement shall be eligible for membership in this category upon letter of intent and payment of an annual fee to be established by the Board of Directors.

3.3.3 There shall be a special category of membership in this Association known as Credit Reporting Members. Any person, firm, or corporation engaged in the business of providing consumer and/or commercial credit reports to the credit granting public, but not engaged in the collection of past due accounts, may become a member of this category by making application which certifies:

That their reporting activity is sufficient to properly identify them as part of the credit reporting industry, and they have complied with all Federal, State, County, and Municipal statutes and ordinances for regulation of those engaged in the credit reporting business.

Application by any credit reporting office under the same ownership of a regular member shall be made in the above manner providing the applicant is operating

from an office located in the state of Hawaii.

Membership in this category shall not confer the right to vote in any matters of business of this Association.

3.3.4 There shall be a special category of membership in this Association known as MAP Attorney Members and Creditors International Members. Any person who maintains a membership in ACA International as a MAP Attorney or Creditors International member may become a member of this category by making application which certifies:

They are a member in good standing of ACA International's MAP Attorney or Creditors International division; and

They agree to be bound by the Association's Bylaws, Code of Ethics and Rules of Conduct.

Membership in this category shall not confer the right to vote in any matters of business of this Association.

#### **ARTICLE FOUR MEMBERSHIP APPLICATIONS**

- 4.1 Application Requirements. Applications for membership shall be made on a form provided by ACA International. Completed applications shall be submitted to the Chair of the Membership Committee. Each application shall be accompanied by proof of compliance with the Membership requirements as provided in these Bylaws, and by payment of one year's dues and assessments, if any, for the ACA International, and one year's dues and assessments, if any, for the Hawaiian Collectors Association, Inc., plus an additional \$25.00 application processing fee. The application processing fee (\$25.00) is not refundable.
- 4.2 Application Processing Requirements. Within forty-five (45) days of receipt of an application for Unit membership, the Association will submit the application to the Chief Executive Officer of ACA International.
- 4.3 Approval of Membership Application. The procedures to be followed by the Membership Committee shall be determined by the Board of Directors. A majority vote of the Membership Committee shall determine whether an application is approved or declined. Any applicant whose application for membership has been declined by the Membership Committee shall have the right to appeal to the Board of Directors at its next regular meeting or at a special meeting called for this purpose by the President. After due consideration, the Board may sustain or reverse the decision of the Membership Committee. If membership is denied by the Board of Directors, all funds remitted by the applicant shall be refunded with the exception of the application processing fee.

Subsequent applications may be submitted by the applicant without additional payment of any application processing fees.

## **ARTICLE FIVE TERMINATION OF MEMBERSHIP**

5.1 Termination upon Change of Ownership. Upon change of ownership of any member, its membership shall automatically terminate. Membership may be conferred upon the new owner only by application made in conformity with the Bylaws of the Association as set forth in these Bylaws.

5.1.1 In all cases where a membership is a sole proprietorship, a change of ownership shall be deemed to have occurred when the control, management or assets of the proprietorship shall be vested in one or more persons other than the individual to whom they previously belonged, or by whom they have previously been controlled.

5.1.2 In all cases where a membership is a partnership, a change of ownership shall be deemed to have occurred when the control, management, or assets of the partnership shall be vested in one or more persons other than the original partners, or either of them. The acquisition by one partner of the share of ownership previously held by one or more of the original partners shall not be construed, for the purpose of this section, as a change of ownership, except in those cases where the partner who acquires the control, management, or assets of the partnership, was, in fact a silent or inactive member of the partnership which had held membership in this Association.

5.1.3 Transfer or sale of a business from one spouse to the other, shall, for the purpose of the section, be considered as a change of ownership unless that spouse who acquired the business, shall have been a partner in fact, or unless his or her previous association with the business was on management level. Acquisition of a collection business by a spouse through estate administration or inheritance will not, ipso facto, qualify the surviving spouse for membership in this Association, unless the requirements of partnership, or previous management, as set forth above, shall have been met. In the case of a corporation, a change of ownership shall be deemed to have occurred when there is a transfer of more than fifty percent of the shares of the corporation.

5.2 Termination for Cause. Any member may be placed on probation, suspended or expelled for cause, which shall include but not limited to: violation of any of the Bylaws or Code of Conduct of the Hawaiian Collectors Association, Inc., the rules, regulations or Code of Ethics of ACA International, or for conduct prejudicial to the best interests of the Hawaiian Collectors Association, Inc. or ACA International. In the event that a member

is subject to probation, suspension or expulsion for any of the foregoing reasons, the Association shall adhere to the procedures set forth in these Bylaws.

Any member, whose dues or assessments or other monetary obligations owed to this Association remain unpaid for sixty or more days, may be placed on probation, suspended or expelled by the Executive Committee of this Association. Any such decision of the Executive Committee shall be final.

5.3 Termination by ACA International. The termination of a member's membership in ACA International shall cause the immediate termination of that member's membership in this Association. The Secretary of this Association shall provide any such member with written notice of termination and the effective date thereof, within 30 days of receipt of this information from ACA International.

5.4 Grievance Process. Probation, suspension or expulsion due to a member's violation of any of the Bylaws or Code of Conduct of the Hawaiian Collectors Association, Inc., the rules, regulations or Code of Ethics of ACA International, or for conduct prejudicial to the best interests of the Hawaiian Collectors Association, Inc. or ACA International shall be the responsibility of the Grievance Committee. Prior to making any determination on a matter, a statement of the charges shall be mailed by certified mail to the member at the member's last recorded address at least 15 days in advance of any meeting of the Grievance Committee at which the matter shall be considered. This statement shall be accompanied by a notice of the time and place of the Grievance Committee meeting at which a decision on the matter shall be made and of the member's right to present a defense at the time and place mentioned in such notice.

A decision of the Grievance Committee may be appealed, in writing, to the Executive Committee of this Association. Within forty-five (45) days of receipt of any such notice of appeal, the Executive Committee should be sustained or reversed. Prior to making any decision on the matter appealed, a statement of the charges shall be mailed by certified mail to the member at the member's last recorded address at least fifteen (15) days in advance of any meeting of the Executive Committee at which the matter shall be considered. This statement shall be accompanied by a notice of the time and place of the Executive Committee meeting at which a decision on the appeal shall be made and of the member's right to present a defense at the time and place mentioned in such notice.

The Executive Committee may sustain or reverse the decision of the Grievance Committee upon the majority vote of the membership of the Executive Committee of this Association.

5.5 Appeal from the Decision of the Executive Committee. A decision of the Executive Committee may be appealed, in writing, to the Board of Directors of this Association. Within forty-five (45) days of receipt of any such notice of appeal, the Board of Directors shall meet to determine whether the decision of the Executive Committee shall be decided upon a majority vote of the Board of Directors of this Association provided that a statement of the charges was mailed by certified mail to the

member at the member's last recorded address at least 15 days before final action is taken thereon. This statement shall be accompanied by a notice of the time and the place of the Board of Directors' meeting at which a decision on the appeal shall be made and of the member's right to present a defense at the time and place mentioned in such notice.

5.6 Confidentiality. All information relating to any action involving a member and which is provided to any member of the Grievance Committee, the Executive Committee or Board of Directors in their capacity as a representative of this Association shall be kept confidential. Any such member's disclosure of such information to any person not otherwise serving on the same Committee or Board will subject the member to removal from office for cause and sanctions in accordance with these Bylaws.

## **ARTICLE SIX RE-INSTATEMENT**

Conditions of Reinstatement. Any member sanctioned for non-payment of dues, assessments or monies owed to this Association or for cause may be reinstated by the Executive Committee of the Association provided all dues and assessments and monies owed the Association due at the time the member was expelled, together with all dues, assessments and monies that became due subsequent to the date the member was expelled, upon to the date of reinstatement, are paid to the Association.

## **ARTICLE SEVEN DUES**

7.1 Fiscal Year. The fiscal year of this Association shall begin on the first day of January of each year and end on the 31<sup>st</sup> day of December of the following year.

7.2 Power to Establish Dues. The annual dues for membership shall be fixed by the Board of Directors, whose decision thereon shall be submitted to the general membership for ratification at the Annual Meeting of the Membership.

7.3 Payment of Dues. Dues shall be payable annually in advance. Any member whose dues remain unpaid for sixty (60) days after the fiscal year begins may be placed on probation, suspended or expelled from this Association by the Executive Committee.

7.4 Dues Non-refundable. Dues shall not be refundable to any member whose membership is terminated for any reason.

7.5 Power to Establish Assessments. The Board of Directors may, by a two-thirds majority vote of all members of the Board of Directors, recommend special assessments. These recommendations must be approved by a majority of the members present and voting at the annual Meeting of the Membership. If approval is granted, all members shall pay the assessment. Failure to do so shall be cause for expulsion.

**ARTICLE EIGHT  
GOVERNANCE AND ORGANIZATION**

8.1 Board of Directors. The affairs of this Association shall be governed by a Board of Directors, which shall consist of the President, who shall serve as Chair, the Vice President, Secretary, Treasurer, one or more National Directors, and at least three members of the Association.

8.2 Annual Meeting. This Association shall hold an annual meeting at such time and place as shall be determined by the Board of Directors.

8.3 Quarterly Meetings. Meetings shall be held at least quarterly at such time and place as determined by the President or any two (2) members in good standing.

8.4 Notice of Meetings. Notices of meetings shall be mailed, emailed, or faxed to each member at least 15 days before the date of the meeting. All notices shall set forth the place, date, time of the meeting. Notice may also be given by telephone.

8.5 Quorum. All eligible voting members of this Association present at a meeting shall constitute a quorum at that meeting and a majority vote of all members present shall be necessary to decide a motion in any case not otherwise provided for in the By-Laws of this Association.

8.6 Indemnification. Every Director or Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be made a party, or in which he or she may become involved, by reason of his or her being or having been a Director or Officer of the Association at the time such expenses are incurred, except in such instances wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

**ARTICLE NINE  
DIRECTORS**

The Board of Directors shall consist of all members present at all Association meetings.

## **ARTICLE TEN OFFICERS**

10.1 Designation. The Officers of this Association shall be President, Vice-President, Secretary, and Treasurer.

10.2 Duties of the President. The President shall preside at all meetings, be the executive officer of the Association and Chairman of the Board of Directors, sign all official documents, appoint all committees not otherwise provided for, and generally supervise the affairs of the Association. He may countersign all checks upon its funds as provided in these By-Laws.

10.3 Duties of the Vice-President. The Vice-President shall advise with and assist the President, and perform all and the singular duties of the President when the latter is absent or in any manner unable to serve. He or she shall become the President in the event the President's office is vacated by death, resignation, or any other event which makes it impossible for the President to carry out his or her responsibilities.

10.4 Duties of the Secretary. The Secretary shall have charge of the records and correspondence of the Association; shall sign all orders audited and passed by the Board of Directors on the Treasurer for the payment of money for the expense of the Association or otherwise; shall keep the records of the proceedings of the meetings of the Association and records of the Board of Directors and affix the Association's corporate seal to all documents so required; shall keep the membership records, showing the names and addresses of each member together with the date when they became members, also cause and date of termination of membership of any member; shall keep the records of all other matters for which a record shall be deemed advisable by the Association; shall send advance notice of all meetings of the Board of Directors; shall send advance notice of all meetings to the membership; shall send copies of the minutes of all meetings to the membership; and shall conduct correspondence concerning applications for membership. All records shall, at all reasonable times, be open for the inspection of any member.

The Secretary shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned to him or her by the Association by the adoption of proper resolution. He or she shall become the Vice President in the event that office is vacated between annual meetings.

10.5 Duties of the Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association and deposit all such funds in the name of the Association in accordance with the resolutions adopted by the Board of Directors. He or she shall have charge of disbursement of funds, pay all orders drawn on him or her by the Secretary, and make an accounting of receipts and disbursements at each quarterly meeting.

The Treasurer shall set up and keep the books of the Association in such a manner that the books will show at all times the amount of money collected, the purpose for which that money was disbursed, and the balance in the hands as Treasurer.

The Treasurer shall also prepare the nonprofit tax return for the Association each year and file it with the Internal Revenue Service. He or she shall also prepare and file with the State of Hawaii any documents which it requires.

The Treasurer shall be required to be bonded at the discretion of the Board of Directors, cost of which is to be paid by the Association.

He or she shall, upon his retirement from office, turn over to his or her successor all funds of the Association in his or her possession, all securities, financial records, books and statements.

He or she shall become the Secretary in the event that office is vacated between annual meetings.

## **ARTICLE ELEVEN ELECTIONS**

11.1 Nomination of Unit Officers. The President, sixty (60) days prior to the annual meeting of the Association, shall appoint a Nomination Committee of not less than three members who shall nominate candidates for the officers of the Association and ACA Director. Nominations may also be made from the floor at the annual meeting.

11.2 Election of Officers. The election of unit officers shall be held at the annual meeting. Voting shall be conducted by secret ballot, provided, however, that such secret ballot may be waived where any given nominee is unopposed. Candidates receiving a majority of all votes cast at the annual meeting for the respective offices shall be declared elected. Every active member represented at the annual meeting shall be eligible to vote.

All those elected shall take office immediately upon their election and shall serve in the offices to which they have been elected until the next annual meeting, and until their successors are elected and qualified.

11.3 National Director Qualifications. Directors who shall be qualified to serve on the ACA International Board of Directors shall be limited to those persons whose business or any portion thereof, is related to the collection of third-party debt.

11.4 Nominations of National Director. The National Director shall be elected during the annual Meeting of the Membership. The Board of Directors, acting as a Committee of the Whole, shall nominate the Director herein provided for at the Board of Director's meeting prior to the Annual Meeting. Nominations may also be made from the floor. During the Annual Meeting, voting for National Director candidates so nominated shall

be conducted by secret ballot, provided however that such secret ballot shall be waived where any given nominee is not opposed.

Nominations for the National Director position shall be limited to those persons who have been members of the Association for at least twelve (12) months. The Secretary shall provide the Chief Executive Officer of ACA International with at least fourteen (14) days prior notice of an election or appointment of National Director and with the results of such election within thirty (30) days thereof.

11.5 Balloting. In all elections conducted by secret ballot, the Secretary shall determine the eligibility of each member's designee to cast ballots. In the event his or her decision is contested, the final authority shall rest with the Executive Committee whose majority decision of those voting on the Committee shall prevail.

## **ARTICLE TWELVE COMMITTEES**

12.1 Committees. Immediately after being elected to office, the President shall appoint the following committees to serve one year: Membership, Grievance, Public Relations, Education, Audit and Legislative. The President may appoint such other committees as he or she deem necessary and appropriate.

## **ARTICLE THIRTEEN MEETINGS OF THE GENERAL MEMBERSHIP**

13.1 Annual Meeting of the Membership. The Annual Meeting shall be held at a time and place to be fixed by the President. It shall be held at approximately the same time each year. Special meetings of the Membership may be called at such time and place as may be fixed by the Board of Directors. Unless otherwise stated in these ByLaws, notice of all meetings shall be mailed, faxed, or emailed to each member at least fifteen (15) days before the date of the meeting.

## **ARTICLE FOURTEEN AMENDMENTS**

14.1 Amendments to Bylaws. Amendments to the Bylaws may be ratified at any meeting of the Association. A majority of the members who vote shall determine whether a proposed amendment is adopted or rejected.

14.2 Voting Procedures. The Secretary shall provide a notice of the date, time, and place of such meeting to every member along with a copy of the proposed amendments.

14.3 Ad Hoc Elections Committee. In all elections conducted by secret ballot, the President shall appoint an Ad Hoc Elections Committee to tally the ballots and certify the election. The Election Committee shall be made up of two members of the Association,

provided none of them has been nominated for any elected position at the Annual Meeting.

**ARTICLE FIFTEEN**  
**PARLIAMENTARY PROCEDURES**

15.1 Parliamentary Procedure. In all questions of order and parliamentary procedure not covered by these Bylaws or State law, Robert's Rules of Order shall govern. The President may appoint any person as Parliamentarian who is well versed in recognized Parliamentary Law to advise the presiding officer at any given meeting.