

**BYLAWS  
OF  
MODERN FINANCIAL SERVICES ASSOCIATION OF ALABAMA**

**ARTICLE I  
Members**

**Section 1. Admission.** The Board of Directors is authorized to admit members to the Corporation under such terms and conditions as it deems appropriate.

**Section 2. Membership Categories.** Membership is available in the following categories:

(a) **Active:** To qualify as an Active Member, an individual or entity must be licensed to do business under the Alabama Deferred Presentment Act. Each Active Member shall be entitled to cast votes on each matter considered by the Members as set forth hereinafter. Active Members are eligible to hold offices and to serve as directors. Active memberships are non-transferable.

(b) **Associate:** An Associate Member shall be an organization or individual which provides products and services to businesses involved in consumer finance and deferred presentment services. Associate Members cannot vote, hold office or serve as directors.

**Section 3. Place and Time for Annual Meeting.** The annual meeting of the members shall be held at the registered office of the Corporation in Montgomery, Alabama, unless otherwise agreed upon by the members or specified in the appropriate notice. The meeting shall be held during the month in which the Corporation's fiscal year ends or at such time as the Board of Directors shall provide by resolution. The annual meeting shall be held for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. Failure to elect the Board of Directors at the annual meeting shall not cause a dissolution of the Corporation, but the Directors thereof shall continue to hold office until their successors are elected and qualified. A special meeting for the purpose of holding such election shall be called as soon thereafter as convenient.

**Section 4. Special Meeting.** Special meetings of the members, for any purpose unless otherwise prescribed by statute, may be called by the President, Secretary, Board of Directors, or by members having one-tenth (1/10) of the votes entitled to be cast at such meeting.

**Section 5. Notice of Meeting.** Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes of the meeting, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to have been given when deposited in the United States mail, addressed to the member at his or her address as it appears on the membership records of the Corporation, with postage thereon prepaid. Notice may be waived in writing and signed by the member entitled to such notice, where not otherwise provided by law.

**Section 6. Voting List.** The officer or agent having charge of the membership records for the Corporation shall make, at least ten (10) days before each meeting of members, a complete list of the members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any member making written request therefor at any time during usual business hours. Such list shall also be produced

and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting. The original membership records shall be prima facie evidence as to who are the members entitled to examine such list or records or to vote at any meeting of members.

**Section 7. Quorum.** One-twentieth (1/20<sup>th</sup>) of the members of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the members, or a quorum may consist of such greater or lesser percentage as may be fixed by an amendment to these Bylaws. No business may be transacted without a quorum. Any business may be transacted at any meeting of the members at which a quorum is present. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting and entitled to vote on the subject matter shall be the act of the members.

**Section 8. Proxies.** A member may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. The proxy shall be voted only for the meeting specified in said proxy and in no event shall a proxy be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the member executing it and is revocable by the termination of the membership of the member.

**Section 9. Voting.** Each Active Member shall be entitled to the number of votes corresponding to the number of offices owned by the Active Member as set forth in the schedule below:

<u>NUMBER OF OFFICES</u>	<u>NUMBER OF VOTES</u>
1 to 5	1
6 to 10	2
11 to 20	3
21 to 40	4
41-75	5
76+	6

Offices that are owned by multiple entities or multiple persons will nevertheless be assigned to a single designated person or entity, provided that such person or entity owns a 50%+ equitable interest in such office. It is the intent of this provision to prevent holders of large numbers of offices from controlling more than five votes by dispersing ownership of such offices in varying entity structures. In order to prevent this from occurring, entity ownership will be assigned to the beneficial party in interest for voting purposes, regardless of "legal" ownership of the office.

**Section 10. Action Without A Meeting.** Any action required or permitted to be taken at any meeting of the members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of members.

**Section 11. Dues.** The Board of Directors shall have the power to set membership dues for services provided by the Corporation. Any Member failing to pay dues in a timely manner may have his or her membership rights suspended by a vote of the Board of Directors.

ARTICLE II  
Board of Directors

**Section 1. General Powers.** The business and affairs of the Corporation shall be managed by its Board of Directors.

**Section 2. Number.** The Board of Directors shall initially consist of three (3) members. At the first meeting of the Board of Directors, the Board of Directors shall elect five (5) additional Directors for a total of eight (8). Thereafter, the Members shall elect the Directors and the number of Directors constituting the Board of Directors shall be eight and shall be fixed by these Bylaws and may be changed only by amendment hereof; provided, however, that no decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. Board members will be elected to Board positions by place or slot. The number of Directors shall never be less than three (3).

**Section 3. Term.** The Directors constituting the first Board of Directors are named in the Articles of Incorporation of this Corporation. The members of the Board of Directors shall serve for a term of one (1) year or until their successors are elected under the provisions prescribed in these Bylaws. Directors may be re-elected for successive terms.

**Section 4. Vacancies and Removals.** Whenever a vacancy occurs on the Board of Directors as a result of the death, resignation, removal, refusal, ineligibility or inability to serve, or otherwise, of any of the Directors under the provisions prescribed in these Bylaws, the surviving or remaining Directors shall, as promptly as possible following the occurrence of such vacancy, elect and designate a successor or successors, who shall likewise hold office as members of the Board for the remaining term of the former director. Every such successor Director so elected and designated from time to time shall have, possess and exercise all the powers, authority, and discretion conferred upon the first and original Board of Directors, as fully and effectively as though such successor were named in the Articles of Incorporation as one of the members of the first Board of Directors. Any member of the Board of Directors may be removed as a member at any time and without assigning any cause therefor, by the affirmative vote of the remaining Directors of the Corporation and written notification of such removal to such Director so removed, who shall, forthwith upon receipt of such notice, be considered as removed from the Board of Directors.

**Section 5. Regular Meeting.** Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board of Directors. Notice of regular meetings of the Board of Directors may be given as provided in these Bylaws. Meetings may be held at any time without notice if all the Directors are present, or, if at any time before or after the meeting, those present waive notice of the meeting in writing.

**Section 6. Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors.

**Section 7. Notice.** Unless otherwise provided in these Bylaws, notice of meetings, both regular and special, shall be given not less than two (2) days in advance of said meeting. Such notice may be by mail, email, telegram, telephone or may be verbal. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed, with postage thereon pre-paid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully

called or convened. The business to be transacted, or the purpose of, any regular or special meeting of the Board of Directors need not be specified in the notice or waiver of notice of such meeting.

**Section 8. Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum is present when a meeting is convened, the Directors present may continue to do business, taking action by a vote of the quorum, until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum, or the refusal of any Director present to vote.

**Section 9. Action Without A Meeting.** Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors. Such consent shall have the same effect as a unanimous vote of the Board of Directors.

### ARTICLE III Officers

**Section 1. Number.** The Board of Directors shall elect a President, a Secretary, a Treasurer, one or more Vice Presidents, and from time to time may appoint such Assistant Secretaries, Assistant Treasurers, and such other officers, agents and employees as it may deemed proper. Any two (2) offices may be held by the same person, except the offices of President and Secretary.

**Section 2. Term.** The term of office of all officers shall be one (1) year and until their respective successors are elected and qualified.

**Section 3. Vacancies and Removal.** Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting. The Board of Directors may remove any officer, with or without cause, at any time by an affirmative vote of a majority of the Board.

**Section 4. President.** The President shall be the principal executive officer of the Corporation and shall have in his or her charge the general direction and promotion of its affairs with authority to do such acts and to make such contracts as are necessary or proper to carry on the activities of the Corporation. He or she shall preside over all official meetings of the Corporation, provided no one has been specifically elected to the office of Chairman of the Board, and shall also perform those duties which usually devolve upon a president of a corporation under the laws of the State of Alabama. The President may, during the absence of any officer, delegate said officer's duties to any other officer or Director. The President will be a member of the Executive Committee.

**Section 5. Vice President.** The Vice President, in the absence or disability of the President, shall perform the duties of the President and shall perform such other duties as may be delegated to him from time to time by the Board of Directors or by the President. The Vice President will be a member of the Executive Committee.

**Section 6. Secretary.** The Secretary shall issue notices of all meetings, shall keep the minutes of all meetings, shall have charge of the seal of the Corporation, if any, shall serve as custodian for all corporate records, and shall make such reports and perform such duties as are incident to his or her office or which may be delegated to him or her by the President or Board of Directors. The Secretary will be a member of the Executive Committee.

**Section 7. Treasurer.** The Treasurer shall render to the President and Board of Directors at such times as may be requested an account of all transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall perform such other duties as are incident to the office or as may be delegated to that office by the President or by the Board of Directors. The Treasurer will be a member of the Executive Committee.

ARTICLE IV  
Executive Committee

**Section 1. General Powers.** The Executive Committee shall have charge of the general business and financial affairs of the Corporation when the Board of Directors is not in session and has full authority to act on behalf of the Board of Directors on any and all matters between the Board's meetings, except that the Executive Committee shall have no authority with respect to any matters specified by Code of Alabama 1975, Section 10-3A-38, as amended, as matters not within the authority of a committee of the Board.

**Section 2. Composition.** The Executive Committee shall consist of the President, Vice President, Secretary, Treasurer, and two additional members who shall be members of the Board of Directors and shall be appointed by the Board of Directors to serve on the Executive Committee.

**Section 3. Regular Meeting.** Regular meetings of the Executive Committee shall be held at such times as may from time to time be fixed by resolution of the Executive Committee. Notice of regular meetings of the Executive Committee may be given as provided in these Bylaws. Meetings may be held at any time without notice if all the Executive Committee Members are present, or, if at any time before or after the meeting, those present waive notice of the meeting in writing.

**Section 4. Special Meetings.** Special meetings of the Executive Committee may be called by or at the request of the President or any two Executive Committee Members.

**Section 5. Notice.** Unless otherwise provided in these Bylaws, notice of meetings, both regular and special, shall be given not less than two (2) days in advance of said meeting. Such notice may be by mail, email, telegram, telephone or may be verbal. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed, with postage thereon pre-paid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of an Executive Committee Member at a meeting shall constitute a waiver of notice of such meeting, except where an Executive Committee Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted, or the purpose of, any regular or special meeting of the Executive Committee need not be specified in the notice or waiver of notice of such meeting.

**Section 6. Quorum.** A majority of the Executive Committee Members shall constitute a quorum for the transaction of business. The act of a majority of the Executive Committee Members present at a meeting at which a quorum is present shall be the act of the Executive Committee. If a quorum is present when a meeting is convened, the Executive Committee Members present may continue to do business, taking action by a vote of the quorum, until adjournment, notwithstanding the withdrawal of enough Executive Committee Members to leave less than a quorum, or the refusal of any Executive Committee Member present to vote.

**Section 7. Action Without A Meeting.** Any action required or permitted to be taken at any meeting of the Executive Committee may be taken without a meeting, if a consent in writing,

setting forth the action so taken, shall be signed by all of the Executive Committee Members. Such consent shall have the same effect as a unanimous vote of the Executive Committee.

ARTICLE V  
Compensation

The officers and Directors of this Corporation shall receive no compensation for their services as such. They may, however, make payments for such clerical assistance and for such professional services as they deem necessary for the conduct of the affairs of the Corporation. Under no circumstances shall the Corporation make loans to officers and Directors.

ARTICLE VI  
Indemnification

**Section 1. Indemnification in Actions Arising Out of Capacity as Officer, Director, or Employee Acting in a Management Capacity on Behalf of the Corporation.** The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the corporation), by reason of the fact that the person is or was a director, officer, or employee acting in a managerial capacity on behalf of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such claim, action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, provided he is not adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty. The termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

**Section 2. Indemnification in Actions by or in Right of Corporation.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee acting in a managerial capacity on behalf of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

**Section 3. Indemnification When Successful.** To the extent that a director, officer, or employee acting in a managerial capacity on behalf of the Corporation has been successful in defense of any action, suit or proceeding referred to in Section 1 and Section 2 of this ARTICLE VI, or in defense of any claim, issue or matter therein, he or she shall be indemnified against any and all expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith, notwithstanding that he or she has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

**Section 4. Determination of Meeting Applicable Standard.** Any indemnification under Section 1 and Section 2 of this ARTICLE VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, or employee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 and Section 2 of this ARTICLE VI. Such determination shall be made either:

(a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to, or who have been wholly successful with respect to, such claim, action, suit or proceeding; or

(b) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

**Section 5. Payment of Expenses in Advance of Disposition of Action.** Any and all expenses (including attorneys' fees) incurred in defending a civil or criminal claim, action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such claim, action, suit or proceeding as authorized in the manner provided in Section 4 of this ARTICLE VI upon receipt of an undertaking by or on behalf of the director, officer, or employee to repay such amount if and to the extent that it shall be ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this ARTICLE VI.

**Section 6. Non-exclusivity of ARTICLE VI.** The indemnification authorized in and provided by this ARTICLE VI shall not be deemed exclusive of and shall be in addition to any other right to which those indemnified may be entitled under any statute, rule of law, provisions of articles of incorporation, bylaw, agreement, or vote of the Board of Directors, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

**Section 7. Insurance.** The Corporation may purchase and/or maintain insurance on behalf of any person who is or was a director, officer, or employee acting in a managerial capacity on behalf of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation is required or permitted to indemnify him or her against such liability under the provisions of this ARTICLE VI or any statute.

**Section 8. Amendment of this ARTICLE VI.** This ARTICLE VI of the Bylaws shall not be altered, amended, or repealed unless by and with the unanimous consent and approval of the Board of Directors.

