Bylaws of Professional Fiduciary Association of California (PFAC)

ARTICLE I - NAME

Section 1: The name of this organization is: PROFESSIONAL FIDUCIARY ASSOCIATION OF CALIFORNIA (PFAC).

ARTICLE II - PLACE OF BUSINESS

Section 1: The principal office for the transaction of the business of the Association shall be located in the State of California at a location to be determined by resolution of the Board of Directors.

ARTICLE III - PURPOSE/MISSION STATEMENT

Section 1: Provide information to the membership on economic, social and political developments likely to affect the Professional Fiduciary.

Section 2: Provide continuing education and promote minimum standards in the administration of conservatorships, guardianships, trusts, estates and durable powers of attorney.

Section 3: Build and maintain awareness of this Association among families, attorneys, probate court officials, various city and county agencies, and among present and potential fiduciaries.

Section 4: Provide advocacy with the State Legislature.

Section 5: Cooperate with the Courts of this State.

Section 6: Mission Statement

The members of the Professional Fiduciary Association of California are dedicated to serving and protecting the best interests of those who place their trust in them by:

- a) Ensuring the highest standards of ethics and practice
- b) Maintaining comprehensive statewide certification
- c) Maintaining high qualifications for membership
- d) Requiring and providing the continuing education of members
- e) Promoting communication among members to share resources

- f) Mentoring of new members by the already established members
- g) Contributing to the development of effective regulation and legislation
- h) Enhancing awareness of and respect for the Professional Fiduciary Association of California

ARTICLE IV - NONPROFIT STATUS

Section 1: This Association is organized exclusively for the educational and charitable purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code.

Section 2: Notwithstanding any other provision of these Bylaws, the Association shall not carry on any other activities prohibited by:

- a) an Association exempt from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code. (Or the corresponding provisions of any future United State Internal Revenue Law); or
- b) an Association's contribution which is deductible under Section 170(c)(2) of the Internal Revenue Code. (Or the corresponding provisions of any future United State of Internal Revenue Law).

ARTICLE V - MEMBERSHIP

A. QUALIFICATIONS

Section 1: There are five categories of membership:

General Membership – Voting

Charter Membership – Voting

Associate Membership – Voting

Emeritus Membership – Voting

Affiliate Membership – Non-Voting

a) General Membership

Consideration for general membership shall be limited to applicants who have: (i) a Bachelor's Degree from an accredited institution and a minimum of two (2) years of experience as a Professional Fiduciary, with a minimum of two (2) cases not related to the fiduciary,

(ii) an Associate of Arts Degree from an accredited institution and a minimum of four (4) years of experience as a Professional Fiduciary, with a minimum of two (2) cases not related to the fiduciary,

or

- (iii) a minimum of four (4) years of experience as a Professional Fiduciary, with a minimum of two (2) cases not related to the fiduciary, and one of the following:
 - 1. Completion of the California State University certificate program,

or

2. Evidence of qualification as a Certified Trust and Financial Advisor under the American Banking Association,

or

- (iv) equivalent experience assessed and approved by a majority of the PFAC Board in relation but not limited to a combination of the following:
 - Acting as a trustee or co-trustee
 - Acting as named executor or administrator
 - Acting as a conservator or guardian of the person and/or the estate
 - Acting as a representative payee authorized by the Social Security Administration and Veterans Administration
 - Acting under a durable power of attorney for finances or for health (Advance Directive)
 - Acting in a decision making capacity with signing authority for bank, brokerage, real estate and court petitions – such as a bank trust officer or officer of the public guardian, public administrator, or public conservator.
- (v) Notwithstanding (i), (ii), (iii) and (iv), above, all general members shall meet any criteria of the State of California, governing Professional Fiduciaries existing from time to time.

b) Charter Membership

A Charter Member is one who was an existing member of one of the three founding regional groups who had actively practiced as a Professional Fiduciary for a minimum of two (2) years and who applied for membership within three (3) months of the acceptance of these Bylaws.

c) Associate Membership

- (i) is limited to five (5) years and will consist of persons actively pursuing a Professional Fiduciary career. Extension and modification shall be at the discretion of the Membership Committee.
- (ii) Associate Members shall be entitled to voting membership status. Associate membership includes educational benefits and other activities at the discretion of the Board of Directors. Associate Members may not be a State Officer of the Association.

d) Emeritus Membership

(i) Applicants for Emeritus Membership shall be general or charter members, who have retired from their fiduciary work, and have provided extraordinary service to the PFAC organization at the Chapter, Region or State level. They shall be granted emeritus status by unanimous approval of the Board. Emeritus members shall be entitled to voting membership status. Emeritus membership includes access to educational benefits and other activities at the discretion of the board.

e) Affiliate Membership

- (i) Consideration for Affiliate membership is open to applicants who wish to further the goals of PFAC while working in a profession affiliated to the fiduciary industry.
- (ii) Affiliate members shall be entitled to attend meetings, excluding votingmember-only meetings, conferences and receive mailings. They will be listed as affiliates in the roster, but they shall not use the name of the association, its initials (PFAC), nor its logo in relation to their professional activities.
- **Section 2:** All applicants shall complete an application to be submitted to the Membership Committee.
- **Section 3:** An accepted applicant will be admitted to membership upon payment of an annual membership fee.

B. DUES

Section 1: The Association's dues are collected through the Association's Treasurer.

Section 2: Dues will be determined by the Board of Directors and announced annually.

C. REMOVAL

Section 1: Action for removal from membership may be initiated for non-payment of dues, failure to meet a minimum of fifteen (15) hours annual continuing education requirements, failure to attend one educational conference or a combination of three (3) regional or chapter meetings a year or for breach of fiduciary duty as determined by this organization's Ethics Review Committee and later ratified by the Board of Directors.

ARTICLE VI – BOARD OF DIRECTORS

A. COMPOSITION

Section 1: a) The Board of Directors shall be composed of a minimum of eleven (11) members, including State Officers President, Vice President/President Elect, Secretary, Treasurer, Immediate Past President as well as Presidents of each Region and one Regional Director from each Region. They shall all be elected by their respective constituent members at the time of the Annual Business Meeting.

(b) This number may be changed by a Bylaw duly adopted by the Members.

Section 2: Election and Terms of Office

- a) The President and Vice President shall be elected for a term of one (1) year.
- b) The Secretary and Treasurer shall be elected in alternate years, for a term of two (2) years.
- c) The Regional Directors shall hold office for two (2) years.
- d) The Vice President shall serve as President Elect

B. POWERS

Section 1: Subject to the provisions and limitations of the Articles of Incorporation, the California Nonprofit Mutual Benefit Corporation Law, or any other applicable law, regarding actions that require approval of the Members, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

Section 2: A vacancy in the Board of Directors shall exist in the case of death, resignation, removal or failure of a Board Member to attend three (3) consecutive Board meetings without the permission of the President. The President of the Board shall appoint a member to fill the vacancy of an Officer position. The

Regional President shall appoint a replacement for a vacated Regional Director position.

Section 3: Without in any way limiting the general powers granted to the Board of Directors in Section 1 of this Article VI, the Board of Directors shall have the power to:

- a) Make rules and regulations consistent with law or the Articles of Incorporation for the guidance of the officers and management of the affairs of the Corporation; and at their discretion, to levy appropriate sanctions for the violation of any provision of these Bylaws;
- b) Appoint an Executive Committee, consisting of four (4) or more Directors; to delegate to such Executive Committee any of the powers and authority of the Board in the management of the business and the affairs of the Corporation, except the power to adopt, amend or repeal Bylaws; and to make rules and regulations for the appointment and term of office of the members of such Executive Committee:
- c) Appoint any other committees it deems necessary;
- d) Change the location of the principal office for the transaction of the business of the Corporation from one location to another within the State of California and to designate any place within the State for the holding of any members meeting, including the annual meeting; and
- e) Set membership dues.

C. DUTIES

Section 1: The Board of Directors shall:

- a) Cause to be kept open for the inspection of any person entitled thereto and making proper demand therefore a "Book of Minutes: of all meetings of the Directors and the Members of the Corporation, adequate and correct Books of Account of the properties and business transactions of the Corporation and a Membership Register in the form prescribed by law and showing the details required by law;
- b) Adopt and use a Corporate Seal;
- c) Authorize the issuance of Certificates of Membership as may be lawful; and
- d) Issue guidelines and instruct committees as necessary from time to time.

ARTICLE VII - DUTIES OF STATE OFFICERS

Section 1: The President shall:

- a) Preside at all meetings of the Association;
- b) Appoint all standing and special committees, subject to approval by the Board of Directors:
- c) Exercise general supervision of the internal affairs of the Association and provide guidance in dealing with opportunities and challenges presented by outside events;
- d) The President and any other officer shall be restricted from incurring a liability for PFAC in excess of \$1,000.00 without the written approval of at least one other elected State Board officer;
- e) Represent the Association in all matters directly affecting it. Such representation may be delegated when appropriate;
- f) Submit a brief written report and an oral overview of the preceding calendar year at the Annual Business Meeting;
- g) In the event of death, disability, or resignation of any officer, the President shall appoint a successor for the balance of the term, with approval of the other officers; and
- h) Perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 2: The Vice President shall:

a) In the absence of or incapacity of the President, perform the duties of the President and shall also perform other such duties as may be prescribed by the Board of Directors from time to time.

Section 3: The Secretary shall:

- a) Keep a book of Minutes at the principal office of the Corporation or other such place as the Board of Directors shall order, of all meetings of the Directors and members in the form and manner required by law;
- b) Keep at the principal office a Membership Register showing the details required by law, and also other books of the Corporation excepting books on account;

- c) Keep at the principal office, open to inspection by members at all reasonable times, the original or certified copy of the Bylaws of the Corporation as amended or otherwise altered to the date;
- d) Keep a Corporate Seal and affix it to all papers and documents requiring a seal:
- e) Keep a record of all Committee reports;
- f) Recruit, supervise and evaluate external secretarial or association support services retained by the Association; and
- g) Perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 4: The Treasurer shall:

- a) Maintain checking and other accounts appropriate for the Association's needs;
- b) Review and present all invoices to the Board of Directors for non-budgeted items. Such presentation may be done at a meeting of the Board of Directors, if timely, or through copies to individual board members by mail, FAX or email;
- c) Publish for all members of the Association an annual report of the Association's income, expenditures, and assets. Give a brief oral review at the annual business meeting;
- d) Submit for use by the new Board of Directors a budget for the coming year;
- e) At the beginning of the year, review the budget submitted by the outgoing Treasurer and submit any revisions for approval to the Board of Directors:
- f) Arrange for the preparation and filing of all required State and Federal tax returns and reports;
- g) Bill, collect, receipts and record all membership dues and other revenues; obtain authorization and pay all bills and expenses;
- h) Prepare a detailed financial report, including all original account statements, to be presented at each meeting of the Board of Directors; and
- i) Perform other such duties as may be prescribed by the Board of Directors from time to time.

Section 5: The Immediate Past President shall:

- a) Advise the board as appropriate to promote continuity of the organization's objectives and activities;
- b) Chair the Past Presidents' Council;
- c) Perform such other services as called upon to do so by the presiding officer; and
- d) Perform such other duties as may be prescribed by the Board of Directors from time to time.

ARTICLE VIII - MEETINGS

Section 1: The Annual Business Meeting shall be held during the second quarter of the year (or such other date the Board of Directors shall determine). Members shall receive written notice, agenda (including any proposed changes in Bylaws), and a sample ballot for election of officers and directors, not less than two (2) weeks prior to the meeting date.

ARTICLE IX – VOTING

- **Section 1:** Voting shall be by members in good standing and by secret ballot (in person or mail) to be determined by the Board of Directors. Proxy vote is invalid and shall not be permitted. For purposes of this Section, a person holding a membership at the close of business on the record date, which date shall be established by resolution of the Board of Directors, shall be a Member of record.
- a) Subject to the Members' rights under Article X, Section (b) of these Bylaws, the Board of Directors may adopt, amend, or repeal the Bylaws unless doing so would:
- (i). Materially and adversely affect the Members' rights as to voting, dissolution, redemption or transfer;
- (ii). Increase or decrease the number of Members authorized in total or for any class;
- (iii). Effect an exchange, reclassification, or cancellation of all or part of the Memberships; or
- (iv). Authorize a new class of Membership.

- b) The Board of Directors may not, without the approval of a majority of the Members at a meeting in which a quorum is present, specify, change, adopt, amend, or repeal any Bylaw that would:
- (i). Fix or change the authorized number of directors;
- (ii). Fix or change the minimum or maximum number of directors;
- (iii). Change from a fixed number of directors to a variable number of directors or vice versa.
- (iv). Increase or extend the terms of the directors;
- (v). Allow any director to hold office by designation or selection rather than by election of the Members except as provided in Article VI, B, Section 2 of these Bylaws;
- vi. Increase the quorum for Members' meetings;
- vii. Repeal, restrict, create, expand or otherwise change proxy rights; or
- viii. Authorize cumulative voting.
- (c) If any provision of these Bylaws requires the vote of a larger proportion of the Board of Directors than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.
- **Section 2:** The candidate for an office receiving the most votes shall be elected. A two-thirds (2/3) majority of votes cast is required to pass an assessment or a change in Bylaws.

ARTICLE X - STANDING COMMITTEES

A. ETHICS AND PROFESSIONAL STANDARDS COMMITTEE

Section 1: This Committee shall be responsible for setting, maintaining and recommending any changes to the Association's Code of Ethics.

Section 2: This Committee shall recommend to the Board of Directors, procedures and appropriate disciplinary actions.

B. NOMINATING COMMITTEE

Section 1: The President, with the approval of the Board of Directors, shall appoint a Nominating Committee not less than eight (8) weeks before the Annual Business Meeting. The Nominating Committee shall be made up only of the

members of the Past Presidents' Council, Charter Members or General Members. Said Committee shall prepare and submit a roster of candidates in writing to the Board of Directors, not less than four weeks before the Annual Business Meeting. One (1) or more candidates for each elective office may be submitted.

Section 2: Any additions to the ballot may be accepted prior to a deadline set by the Nominating Committee.

C. EDUCATION/CERTIFICATION COMMITTEE

Section 1: Continuing Education

This Committee shall be responsible for:

- a) recommending continuing education requirements to the Board of Directors;
- b) monitoring the compliance of the continuing education requirements as set forth by the Board of Directors; and
- c) monitoring the continuing education requirements as may be set forth by the Judicial Council, the Professional Fiduciaries Bureau or any other governmental agencies, and shall report to the Board of Directors on a quarterly basis.

Section 2: Certification

These requirements shall be at least equal to any licensing requirements of the State of California governing Professional Fiduciaries existing from time to time.

ARTICLE XI – AMENDMENTS

Section 1: Assuming a quorum, these Bylaws may be amended at any meeting of the Association by a two-thirds (2/3) vote of ballots cast, whether in person or by mail. The proposed amendment must be presented to the Membership in the same format at the Annual Business Meeting.

Section 2: The President may, as needed, appoint a Bylaws Committee for amendments and revisions.

ARTICLE XII – GENERAL PROVISIONS

Section 1: The rules contained in Robert's Rules of Order shall govern this Association in all cases to which they are applicable and in which they are consistent with these Bylaws.

Section 2: Quorum

- a) A quorum for a general meeting shall be one-third of the voting power.
- b) A quorum for a Board of Directors meeting shall be at least one (1) representative from each region.

Section 3: Construction and Definitions

a) Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

ARTICLE XIII - REGIONAL GROUPS

Section 1: Composition

- a) The Regional Board shall consist of at least five (5) members, including Regional Officers President, Vice President, Secretary, Treasurer and the Regional Director.
- b) New regions and chapters may be formed with the approval of the State Board.

Section 2: Election and Terms of Office

- a) The Regional Officers shall be elected by members of the region at the time of the State elections.
- b) Each Regional Officer shall be elected for a term of one (1) year, with the exception of the Regional Director who shall hold office for two (2) years.

Section 3: Duties

- a) Where it applies, the duties of each officer mirrors the duties of the corresponding State officer. The Regional Board is directly governed by the State Board.
- b) The Regional Board administers the region in compliance with the Bylaws and reports to the State Board through its Regional President.

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