

**FEDERAL BAR ASSOCIATION
SECURITIES LAW SECTION
BYLAWS**

ARTICLE I: NAME AND ESTABLISHMENT

The name of this organization is the Securities Law Section (hereinafter, “Section”) of the Federal Bar Association (hereinafter, “Association”). The Section is established under Article IX of the Constitution of the Association and is governed by the Constitution and Bylaws of the Association and these Bylaws.

ARTICLE II: PURPOSE

The purpose of the Section shall be to further the purposes of the Association as stated in its Constitution and, in addition:

To promote high standards of professional competence and ethical conduct in the practice of securities law.

To promote the development of sound laws and policies in the securities field.

To enhance the professional growth and development of members of the securities bar.

To promote the welfare of attorneys and judges practicing in the securities field employed by the Government of the United States.

To provide meaningful services for the welfare and benefit of the members of the securities bar.

To keep members of the securities bar informed of developments in their respective fields of interest through the use of publications, educational programs, and other appropriate methods.

To keep members of the securities bar informed of the affairs of the Section, to encourage their involvement in its activities, and to provide opportunities to members of the Section to assume leadership roles in the Section.

To promote professional and social interaction among members of the securities bar, with a particular emphasis on such interaction between government and private sector members.

To provide awards and recognition to individuals and organizations which make substantial contributions in the field of securities law.

ARTICLE III: MEMBERSHIP AND DUES

Section 1. **ACTIVE MEMBERSHIP.** Any active member of the Association in good standing and any honorary member shall be eligible for active membership in the Section and shall be enrolled as a member upon the payment of the annual Section dues.

Section 2. **HONORARY MEMBERSHIP.** Any member or associate of the Association may be made an honorary member or honorary associate of the Section upon the approval of the Executive Council of the Section (hereinafter, "Section Executive Council"). Approval shall be indicated by a majority vote of those present and voting at a regular meeting of the Section Executive Council. Honorary members and honorary associates shall be exempt from the payment of Section dues.

Section 3. **ASSOCIATES.** Associate members of the association in good standing shall be eligible for Section & Division non-voting membership, but shall not be eligible to hold office in the section. Associate members shall be enrolled as a section member upon the payment of the annual section dues.

Section 4. **DUES.** Section dues for active members and associates shall be collected annually at the same time Association dues are collected. The amount of dues, if any, shall be determined annually by the Section Executive Council, subject to the approval of the Board of Directors of the Association (hereinafter, "Board of Directors").

Section 5. **TERMINATION OF MEMBERSHIP.** Any active member or associate of the Section whose annual dues are more than three months past due shall cease to be a member or associate of the Section.

ARTICLE IV: OFFICERS

Section 1. **OFFICERS.** The officers of the Section shall be the Chairperson, the Deputy Chairperson, the Secretary, the Treasurer and/or such other officers as the Section Executive Council shall determine. The Section's initial Chairperson shall be the Chairperson of the Executive Council of the predecessor Securities Law Committee of the Association.

Section 2. **TERMS.** All officers of the Section will serve a term in office that shall terminate on September 30th in years evenly divisible by three. The fiscal year of the Section shall be the same as that of the Association.

Section 3. **DUTIES OF OFFICERS.** The Chairperson shall be the chief executive officer of the Section and preside at all meetings of the Section's membership and at meetings of the Section Executive Council. The Chairperson shall cause the Association and the Section's membership to be informed of the Section's activities, and shall perform such other functions as usually pertain to the office or as may be designated by the Board. The duties of such other officers as the Section Executive Council may

determine to appoint shall be as determined by the Chairman in consultation with the Section Executive Council.

Section 4. **SELECTION OF OFFICERS.** The officers of the Section shall initially be elected by the members of the Section Executive Council. As the Section grows in size and operations, the Section Executive Council may amend these Bylaws at the appropriate time to provide for direct election of officers by the members of the Section. The election may be by acclamation or, in the event the matter is contested, by ballot. An election shall be by secret ballot upon demand of five active members. A majority of the members present and voting shall be necessary to elect. Each member shall be entitled to cast one vote for each position subject to election. In the event no candidate receives a majority of the votes cast, there shall be further balloting, dropping the candidate with the lowest number of votes on each ballot when there are more than two candidates. Mail-in, fax-back or email ballots shall be authorized.

ARTICLE V: SECTION EXECUTIVE COUNCIL

Section 1. **COMPOSITION.** There shall be an Section Executive Council initially composed of the members of the Executive Council of the predecessor Securities Law Committee of this Association. The Section Executive Council shall from time to time add or remove members by majority vote.

Section 2. **POWERS AND FUNCTIONS.** The Section Executive Council shall be vested with the powers and duties necessary for the administration of the activities of the Section consistent with the Constitution and Bylaws of the Association. Among its functions are:

- (a) Recommending changes in Section dues to the Board of Directors.
- (b) As the Section grows in size and operations and at appropriate times, establishing and making changes in these Bylaws and in the Section's committee structure.
- (c) Approving the annual budget of the Section.
- (d) Setting the time and place of the annual meeting of the membership of the Section, which may be by telephone conference, webcast or other electronic means designed to achieve broad participation.
- (e) Approving programs and awards, including the Manuel F. Cohen, Philip Loomis and Byron Woodside awards to staff of the Securities and Exchange Commission that have for many years been made annually by the Executive Council of the predecessor Securities Law Committee of the Association.

Section 3. VACANCIES. In case of the death, resignation, or disability of an officer or a committee chairperson, the Section Executive Council shall by majority vote appoint a replacement to serve out the remainder of the person's term.

ARTICLE VI: COMMITTEES

Section 1. STANDING COMMITTEES. As the Section grows in size and operations, the Executive Council will establish appropriate standing committees. It is anticipated that such standing committees will likely include:

(a) Investment Management Committee. The Investment Management Committee is responsible for developing, recommending and conducting programs on issues pertaining to investment advisers, investment companies, hedge funds, private equity funds, and other matters within the purview of the Investment Management Division of the Securities and Exchange Commission ("SEC") and the corresponding divisions of other securities regulators and securities self-regulatory organizations ("SROs").

(b) Corporation Finance Committee. The Corporation Finance Committee is responsible for developing, recommending and conducting programs on issues pertaining to capital formation, disclosure and public filings by public companies, accounting standards, corporate governance, and other matters within the purview of the SEC's Corporation Finance Division and the corresponding divisions of other securities regulators and SROs.

(c) Trading and Markets Committee. The Trading and Markets Committee is responsible for developing, recommending and conducting programs on issues pertaining to broker-dealers, exchanges, other trading systems, existing and proposed financial products, and other matters within the purview of the SEC's Trading and Markets Division and the corresponding divisions of other securities regulators and SROs.

(d) Enforcement Committee. The Enforcement Committee is responsible for developing, recommending and conducting programs on issues pertaining to the investigation and civil and criminal prosecution of securities violations and other matters within the purview of the SEC's Enforcement Division and the corresponding divisions of other securities regulators and SROs, as well as the Justice Department and other prosecutorial agencies.

Section 2. AD HOC COMMITTEES. The Section shall have such Ad Hoc Committees as shall be designated by the Chairperson.

Section 3. SELECTION OF COMMITTEE LEADERSHIP AND MEMBERS. Each committee shall have a Chairperson appointed by the Section Chairperson, with the approval of the Section Executive Council, and such other officers as the Section Chairperson shall appoint, also with the approval of the Section Executive Council, to

assist the committee Chairperson. The committee Chairperson shall select the members of the committee from the active and honorary members and associates of the Section.

Section 4. COMMITTEE MEETINGS. Each committee shall meet at least once each year.

Section 5. PUBLIC POSITIONS. A committee may not issue a public report or take a public position on an issue either in its own name or on behalf of the Section. All proposals for public reports or positions shall be submitted to the Sections Executive Council for consideration and issuance.

Section 6. TERMS. All committee Chairpersons, committee officers and committee members will serve a term coterminous with that of the Chairperson of the Section.

ARTICLE VII: MEETINGS

Section 1. SECTION MEETINGS. Meetings of the membership shall be at the call of the Chairperson or the Section Executive Council. There shall be an Annual Meeting of the membership of the Section at a time and place selected by the Section Executive Council. There shall be no quorum requirement for Section meetings, and all decisions shall be made by majority vote of the active members present and voting at any such meeting.

Section 2. SECTION EXECUTIVE COUNCIL MEETINGS. The Section Executive Council shall meet at the call of the Chairperson as needed to carry out its administrative powers and functions, but no less frequently than quarterly. Six (6) members of the Section Executive Council shall constitute a quorum for the transaction of business. All decisions of the Section Executive Council other than the amendment of the By-laws shall be made by majority vote of the members present and voting at the meeting.

Section 3. NOTICE. The Chairperson or Secretary shall give at least three (3) days notice of all meetings of the Section and the Section Executive Council.

Section 4. RULES OF ORDER. The rules of order for all meetings shall consist of (in the order stated):

- (a) The Constitution and Bylaws of the Association;
- (b) These Bylaws;
- (c) Standing Resolutions passed by the Section's Executive Council (copies of which shall be retained by the Chairperson or Secretary of the Section); and
- (d) The current issue of Robert's Rules of Order.

ARTICLE VIII: PUBLIC POSITIONS

The Section – in the name of the Association – may issue reports, make public announcement, and publicly advocate positions on issues of concern to the Section only with the prior approval of the Board of Directors. Without such prior approval, the Section may take a public position only if the position statement includes a disclaimer that indicates that the Section is taking the position in the name only of the Section. In any event, if the Section takes such action in its own name and not in that of the Association, the Section shall report that action immediately to the Board of Directors.

ARTICLE IX: BY-LAWS

Section 1. **EFFECTIVE DATE.** These By-laws shall be effective immediately upon approval of the Board of Directors.

Section 2. **AMENDMENT.** These By-laws may be amended at any regular meeting of the Section Executive Council by vote of two-thirds of its members present and voting, provided that each of its members shall be given at least 14 days notice of the meeting and the proposed amendment. The amendment shall not become effective until approved by the Board of Directors.

Securities Law Section Reimbursement Policy

Meetings and Travel Expenses: The Chair and the Chair-elect of the Section shall be reimbursed for travel expenses to the Annual Meeting and Convention and the Midyear Meeting and Convention. They shall also be reimbursed for registration fees, including CLE and social registrations, for the Annual Meeting and Convention and the Midyear Meeting and Convention. All other meeting and travel expenses must be authorized in advance by the Governing Board of the Section.

All expenses incurred by any member of the Section are subject to the requirements as outlined below.

Air: The Section will pay for reasonable coach or economy class travel. It is incumbent upon the traveler to attempt to get the greatest discount possible.

Rail: The Section will pay for reasonable travel expenses by rail, in lieu of airfare/car travel.

Car: The Section will pay for travel by car at the rate allowed under Federal reimbursement policy per mile, in lieu of airfare/rail travel. (See <http://www.gsa.gov>.)

Ground Transportation: The Section will reimburse for reasonable ground transportation and parking (*e.g.*, taxi, bus, airport parking, taxi) for actual expenses, up to a maximum of \$100.00 per trip.

Lodging, Meals and Incidentals: The Section will reimburse for lodging, meals and incidentals, up to a maximum allowed under Federal per diem rates for the particular locality less meals and lodging provided. On travel days, meals and incidental expenses will be reimbursed at $\frac{3}{4}$ of the per diem rate less any meals provided. (See <http://www.gsa.gov>.) In the event lodging and meals are associated with the social events at the FBA Annual Meeting and Convention, Midyear Meeting, or Section and Division Training, the reimbursement rate will be up to the rate negotiated by FBA with the provider.

Meeting Fees: Other than the registration fees for the Chair of the Section for the Annual Meeting and Convention and the Midyear Meeting and Convention, all other meeting fees, including registration fees, CLE fees and social registrations, must be approved in advance by the Governing Board of the Association.

Expenses Not Related to Meetings and Travel: The Section will reimburse for expenses not related to meetings and travel, including postage, telephone, office expenses, etc., only if approved by the Executive Council of the Section.

Receipt Requirement: All expenses on requests for reimbursements must be properly documented with copies of receipts attached. If the person requesting reimbursement does not have a receipt of the expense, he or she must attach a memo explaining why there is no receipt. In those cases where there is no receipt, the Chair or Treasurer of the Section, depending upon who is the reviewing party, has the discretion to deny the expense.

Timeliness Requirement: All requests for reimbursement must be submitted within three months of incurring the expense. If receipts are not submitted within three months of incurring the expense, they will not be considered valid for reimbursement and the Chair or Treasurer of the Section, depending upon whom is the reviewing party, has the discretion to deny the expense.

Compliance Requirement: All requests for reimbursement must be approved by either the Chair or Treasurer of the Section. However, under no circumstances shall anyone have the authority to approve their own requests for reimbursement. The Chair shall submit his or her request(s) for reimbursement to the Treasurer, or in lieu of the Treasurer to the immediate past-Chair. The Treasurer shall submit his or her request(s) for reimbursement to the Chair. Further, all requests for reimbursement that are approved by the Chair or Treasurer, shall be copied to the Chair or Treasurer who did not receive the request.

Exceptions by Governing Board: Any request for reimbursement not in

compliance this policy may be submitted to the Executive Council for approval on a case-by-case basis, and the Executive Council shall have authority to approve such request.

Speaker Reimbursement: Speakers at Securities Section continuing legal education events shall be reimbursed for travel expenses, lodging, meals and incidentals in accordance with this policy, but only after the speaker is approved by the Executive Council of the Section.

Amendments/Changes to this Policy: This policy may be amended from time to time, as deemed necessary, by the Executive Council of the Section.

Effective Date: 8/24/2011

