



National Pawnbrokers Association®

**Bylaws of the National Pawnbrokers  
Association, Inc.**





## **Bylaws of the National Pawnbrokers Association, Inc.**

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**ARTICLE I - NAME**

The name of the association is the National Pawnbrokers Association, Inc., hereinafter referred to as the Association.

**ARTICLE II - PURPOSE**

To elevate the pawn industry through education, mentoring, and legislation, and to accurately represent pawnbrokers and their interests.

**ARTICLE III - OFFICES**

- **Section 1. Location.** The principal office of the Association shall be determined by the Board of Directors.
- **Section 2. Incorporation.** The Association is an incorporated non-profit trade association.

**ARTICLE IV - MEMBERS**

- **Section 1. Membership Qualifications.** Membership in the Association shall be open to qualified persons and firms actively involved in, associated with, or having an interest in the pawnbroking industry. For membership purposes, a pawnbroking establishment is defined as a brick and mortar location open to the general public that offers pawn loans in the same state in which it is licensed. Only residents of that state or consumers who travel to that state in person for the purposes of the transactions may utilize these services.

**The Board of Directors may establish eligibility criteria for membership.**

- **Section 2. Membership Classifications.** The Association shall have the following classes of membership, as defined in the NPA Policy Manual: Pawnbroker, Affiliate, International, Apprentice, Industry Partner, and Lifetime.. The Board of Directors may establish additional membership classes as deemed appropriate or necessary.
- **Section 3. Voting.** Eligible voting members shall be entitled to ratify a slate of candidates provided by the Board of Directors for the election of Directors. If the slate is not ratified by the eligible voting members, each candidate will be voted on individually. Each candidate that receives a majority of the votes shall become a member of the Board of Directors
- **Section 4. Meetings.** There shall be an annual meeting of the Association on a date and at a place to be determined by the Executive Committee.
- **Section 5. Quorums.** A quorum at the annual meeting shall consist of five percent (5%) of all voting members. For the purpose of selecting the slate of candidates for the Board of Directors, a quorum shall consist of a majority of the Board of Directors.

### ARTICLE V - BOARD OF DIRECTORS

- **Section 1. Duties.** The Board of Directors shall manage all affairs, property and funds of the Association, and shall have the duty and authority to perform all acts consistent with these Bylaws, the Articles of Incorporation and any amendments thereto. The Board of Directors shall have such other duties as may be prescribed by law or are inherent in the authority of the Board.
- **Section 2. Number, Appointment/Election, Term of Office, and Removal.** The Board of Directors shall consist of no less than eleven (11) members and no more than twenty-one (21) members, each of whom must be nominated by a majority of the Board of Directors and ratified by a majority of the eligible voting members at the annual membership meeting.

**Apprentice, Industry Partner, and Honorary Members shall not be eligible to serve on the Board of Directors.**

Members of the Board of Directors shall serve a term of two (2) years. Members of the Board of Directors shall not serve more than five (5) consecutive terms. Any member of the Board of Directors serving five (5) full consecutive terms shall not be eligible to serve on the Board of Directors for a period of one (1) year. If the President Elect has been serving for nine (9) consecutive years at the time of his/her election, his/her term on the Board shall be extended by one (1) full year if he/she is elected as President to a second one year term. If the Immediate Past President has been serving for nine (9) or ten (10) consecutive years, his/her term on the Board shall be extended by one (1) or two (2) full year(s), respectively, based on the term of the new President.

All Directors must be the principals, directors, or employees of a Pawnbroker or Affiliate Member. If the membership lapses at any time during their term, they are no longer eligible to be a Director until the next election and they may reapply per the procedure set forth in the Association's Policy Manual. The Board of Directors must comply with the Board of Directors Code of Ethics. Elected Directors may be removed by the affirmative vote of two-thirds (2/3) of the Board of Directors.

- **Section 3. Vacancies on the Board of Directors.** If the minimum requirement of eleven (11) Directors is not met for any reason, this will be considered a vacancy on the Board of Directors. Successors shall come from a list of nominees presented by the Nominating Committee. The President shall nominate and the Executive Committee shall confirm a successor.
- **Section 4. Quorum and Acts of the Board of Directors.** A quorum is necessary for a vote of the Board of Directors. A majority of the total number of members of the Board of Directors then in office shall constitute a quorum. Except as otherwise provided in these Bylaws, the vote of a majority of the quorum shall be the act of the Board of Directors. There shall be no proxy voting by members of the Board of Directors.

- **Section 5. Action by Unanimous Written Consent.** Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if unanimous consent to such action is given by all of the members of the Board of Directors and such consent is recorded in the minutes of the proceedings of the Board of Directors. Such consent may be given electronically. Upon such consent, action may be taken by the Board of Directors.

## ARTICLE VI - OFFICERS

- **Section 1. Officers.** The Officers of the Association shall be the Immediate Past President, President, Vice President, Secretary, Treasurer, and Executive Director. The Board of Directors may establish such other officer positions as it deems appropriate. Officers must be members of the Board of Directors and, except for the Executive Director, do not receive compensation for their services.
- **Section 2. Election.** At the annual meeting of the Board of Directors prior to the annual membership meeting, the Board of Directors shall elect from among its members a President, Vice President, Secretary and Treasurer, and such other Officers as it shall deem necessary. Any Officer so elected shall serve for one (1) year. They will be considered for re-election the following year.
- **Section 3. Executive Committee.** The Executive Committee is elected by the Board of Directors to exercise the powers and duties of the Board of Directors between Board of Directors meetings and while the Board of Directors is not in session and to implement the policy decisions of the Board of Directors.

The Executive Committee shall consist of the Officers of the Association as determined annually by the Board of Directors. The President shall be the Chair of the Executive Committee.

### Authority

The Executive Committee shall have the authority to exercise all powers and duties of the Board, except they may allocate no more than five percent (5%) of the Association's gross yearly revenue for emergency expenditures for non-budgeted expenses.

A majority of the Board of Directors shall have the right to require a vote to overrule a non- contractual action of the Executive Committee. To overrule such action requires a vote two- thirds (2/3) of the Board of Directors.

Vacancies on the Executive Committee may be filled with an appointment by the President, subject to approval by majority vote at the next meeting of the Board of Directors following the occurrence of the vacancy.

- **Section 4. Removal.** Any Officer of the Association may be removed from office at any time by a two-thirds (2/3) vote of the Board of Directors.

### ARTICLE VII - COMMITTEES

The President shall establish committees, to be ratified by the Board of Directors, as deemed appropriate or necessary.

### Article VIII - INDEMNITY

- **Section 1. Directors and Officers.** The Association shall indemnify Directors and Officers who are serving, or may have served at its request as Directors and Officers, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding, whether threatened or pending and whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association), in which they are made a party or witness by reason of being or having been a Director or Officer of the Association. However, no indemnification shall be made in respect of any claim, issue, or matter that is (i) prohibited by law or the Articles of Incorporation of the Association, or (ii) arising out of fraud, willful misconduct, criminal conduct, transactions resulting in improper personal benefit, or (iii) any act or omission not performed in good faith, or beyond the scope of corporate authority.
- **Section 2. Employees and Agents.** To the extent provided by law, employees and actual agents of the Association who are or have been employed or directed by the Association shall be paid, indemnified, and reimbursed for expenses actually and necessarily incurred in connection with the defense of any action, suit, or proceeding whether threatened or pending and whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association), in which they are made a party or witness by reason of their employment or agency by the Association. However, no indemnification shall be made in respect of any claim, issue, or matter that is (i) prohibited by law or the Articles of Incorporation of the Association, or (ii) arising out of fraud, willful misconduct, criminal conduct, transactions resulting in improper personal benefit, or (iii) any act or omission not performed in good faith, or beyond the scope of corporate authority.
- **Section 3. Limitation on Indemnification.** Any indemnification pursuant to this Section (unless ordered by a court) shall be made by the Association only as authorized in a specific case upon determination that indemnification of the Director, Officer, employee, or agent is proper in the circumstances because he/she has met the applicable standard of conduct and is not excluded. Such determination shall be made only by a majority vote of the Board of Directors.
- **Section 4. Payment of Expenses.** Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director, Officer, employee, or agent to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Association as authorized as provided by these Bylaws.

- **Section 5. Other Indemnification Rights.** The indemnification provided herein shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of disinterested Directors, or otherwise, both as to actions in his/her official capacity and as to actions in another capacity while acting for the Association, and shall continue as to a person who has ceased to be a Director, Officer, employee, or agent and shall also inure to the benefit of the heirs, executors, and administrators of such a person.
- **Section 6. Insurance.** The Association shall purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent, or who was serving at the request of the Association as a Director, Officer, employee, or agent of another entity or person, against any liability asserted against him/her and incurred by him/her in such capacity, or arising out of his/her status as such, whether or not the Association would have the power to indemnify him/her against such liability under the provisions of this Article.

#### **ARTICLE IX - NOTICES**

Whenever notice is required by these Bylaws, notice shall be mailed to the last known address of the member entitled to such notice or sent by other available means.

#### **ARTICLE X – AMENDMENTS**

These Bylaws may be amended, altered, restated, or otherwise revised by a two-thirds (2/3) vote of the Board of Directors, provided the amendment or other change is first sent to each Director at least thirty (30) days prior to the meeting at which it is proposed to be voted on.

#### **ARTICLE XI – SEVERABILITY**

The invalidity or unenforceability of any provision shall not affect the validity or enforceability of the remaining provisions.

#### **ARTICLE XII - ADOPTION**

These Bylaws were adopted as amended by the Board of Directors of this Association at a meeting held on the 15th day of April 2013, pursuant to a resolution adopted by said Board of Directors.

#### **Article XIII - DISSOLUTION OF THE ASSOCIATION**

In the event of the dissolution of the Association and after payment of all outstanding obligations of the Association, all remaining assets of the Association shall be distributed to a qualified nonprofit association or organization, as the membership deems proper. No assets of the Association shall inure to the benefit of any member of the Association or to any private person, partnership, association, or corporation.

