

BYLAWS OF THE BUSINESS LAW SECTION

As approved by the
Directors of the State Bar of Texas

September 10, 1976
Revised July 4, 1981 and
Revised June 12, 1987 and
Revised June 10, 1988 and
Revised June 7, 1990 and
Revised June 2, 1995 and
Revised June 22, 2000 and
Revised [June __], 2005

ARTICLE I

Name and Purpose

Section 1. This Section shall be known as the Section of Business Law.

Section 2. The purpose of this Section shall be to promote the objects of the State Bar of Texas within the field of business law.

ARTICLE II

Membership and Dues

Section 1. In addition to the regular annual dues of the State Bar of Texas, each member of this Section shall pay to this Section annual section dues in an amount specified by the Council from time to time. Any member in good standing of the State Bar of Texas, upon request to the Secretary-Treasurer of this Section, and upon payment of dues for the then current fiscal year of the Section, shall be enrolled as a member of the Section. Thereafter, said dues shall be payable in advance each fiscal year. Any member of this Section whose annual dues shall be more than six months delinquent or who ceases to be a member in good standing of the State Bar of Texas shall thereupon cease to be a member of this Section. Persons so enrolled and whose dues are so paid shall constitute the membership of this Section.

Section 2. The Council shall have authority to establish from time to time one or more classes of membership in the Section, for the purpose of promoting the existence and continuance of the Section and increasing long-term membership. The Council shall be authorized to set conditions and restrictions for each class of membership.

ARTICLE III

Officers and Council

Section 1. The officers of this Section shall be a Chairman and a Vice Chairman, who must be members of the Council of this Section, a Secretary-Treasurer, who need not be a member of the Council, and such Assistant Secretary-Treasurers, who need not be members of the Council, as the Council may from time to time deem necessary.

Section 2. The Council of this Section shall consist of ten (10) members and three (3) ex officio members.

Section 2a. At each annual meeting of this Section, members of the Council shall be elected for terms of two (2) years each to succeed the members whose terms will expire at the close of such annual meeting of this Section.

Section 3. The three ex officio members of the Council shall be persons who at the time hold the offices of President and President-Elect, respectively, of the State Bar of Texas and the immediate past Chairman of the Section.

Section 4. At each annual meeting of the Council, the members of the Council shall elect from their number a Chairman and a Vice Chairman and shall also elect a Secretary-Treasurer, who need not be a member of the Council. The officers so elected shall each serve for a term beginning at the close of the annual meeting of the Council at which they are elected and ending at the close of the next succeeding annual meeting of the Council, and until their successors shall have been elected and qualified.

ARTICLE IV

Nomination and Election of Members of the Council

Section 1. Not less than ninety (90) days prior to each annual meeting, the Chairman shall appoint a nominating committee of three (3) members of the Section who are not members of the Council, which committee shall make and report nominations to the Section for members of the Council to succeed those Council members whose terms will expire at the close of such annual meeting, and to fill vacancies, if any, then existing for unexpired terms. Other nominations may be made by other members of the Section if made in writing and delivered to the Chairman not less than sixty (60) days prior to the annual meeting.

Section 2. All elections of members of the Council shall be by written ballot or voice vote at the annual meeting. Prior notice of the nominees for the election to the ~~council~~Council shall have been given to members of the Section. ~~Such notice in writing or by facsimile or other electronic transmission (including, without limitation, e-mail). Such notice (which may, in each case, include a notice contained in the Section's Journal of Business Law) shall be complete upon deposit of the pre-addressed written notice (or Journal containing such notice), postage prepaid, with the United States Postal Service or upon such facsimile or other electronic~~

transmission of the notice (or of the Journal containing such notice), not less than thirty (30) days prior to the date set for the election.

ARTICLE V

Duties of Officers

Section 1. The Chairman shall preside at all meetings of the Section and of the Council. He shall formulate and present at each annual meeting of the State Bar of Texas a report of the work of the Section for the then past year. He shall perform such other duties and acts as usually pertain to his office.

Section 2. Upon the death, resignation or during the disability of absence of the Chairman, or upon his refusal to act, the Vice Chairman shall perform the duties of the Chairman for the remainder of the Chairman's term except in case of the Chairman's disability or absence and then only during so much of the term as the disability or absence continues.

Section 3. The Secretary-Treasurer shall be the custodian of all books, papers, documents, funds, and other property of this Section. He shall keep a true record of the proceedings of all meetings of the Section and of the Council and of all receipts and disbursements of funds of this Section. He shall assist the Chairman in the preparation of the annual report of the work of the Section.

ARTICLE VI

Duties and Powers of the Council

Section 1. The Council shall have general supervision and control of the affairs of this Section subject to the provisions of the Charter and Bylaws of the State Bar of Texas and the Bylaws of this Section. It shall especially authorize all expenditures of money and all commitments or contracts which entail the payment of money.

Section 2. The Council may authorize the Chairman to appoint committees from Section members, subject to the limitations of these Bylaws and the Charter and Bylaws of the State Bar of Texas. Such committees shall be limited to the conduct of the internal affairs of this Section or a consideration of the following general subjects:

- (a) Laws, regulations and decisions affecting private corporations, whether organized for profit or not-for-profit.
- (b) Laws, regulations and decisions affecting the organization and operation of unincorporated business entities.
- (c) Laws, regulations and decisions affecting the financing of corporate entities or unincorporated business entities, including, but not limited to, the subjects of securities and investments and investment banking, banking and savings institutions.

- (d) Laws, regulations and decisions affecting trade and commerce, including, but not limited to, all subjects dealt with in the Uniform Commercial Code.
- (e) Laws, regulations and decisions affecting the rights of business creditors and debtors, including receiverships, bankruptcy, and bankruptcy reorganizations.

Section 3. The Council may authorize the study of any and all problems related to the subject matters mentioned in Section 2, may sponsor institutes and study sessions thereon, and may authorize participation in any institute or meeting held in Texas relating to such subject matters conducted by the State Bar of Texas or any section or committee authorized by it.

Section 4. Immediately following the conclusion of the annual meeting of this Section, and at the same place, there shall be an annual meeting of the Council for the purpose of electing officers and transacting such other business as may be presented at such meeting. Special meetings of the Council may be called by the Chairman at such time and place and upon such notice as the Chairman may determine.

Section 5. The Council, during the interim between annual meetings of this Section, may fill vacancies in its own membership, and members of the Council so elected shall serve until the close of the next annual meeting of this Section. The Council, during the interim between annual meetings of the Council, may fill vacancies in the office of Vice Chairman or Secretary-Treasurer, or in the event of a vacancy in both the office of Chairman and Vice Chairman, then in the office of Chairman; and officers so elected shall serve until the close of the next annual meeting of the Council.

Section 6. Any meeting of the Council may be held in person or by means of telephone conferencing equipment, video conferencing equipment or other similar equipment. Any person participating in such a meeting by means of such equipment shall be deemed to be present at such meeting and shall have the ability to vote at such meeting. Six (6) members of the Council shall constitute a quorum at a meeting of the Council. All binding action of the Council shall be by vote of a majority of those members present at a meeting at which a quorum is present.

Section 7. Members of the Council when ~~personally~~ present at a meeting of the Council ~~shall vote in person, but when absent~~ may vote by voice vote, written ballot, or any combination thereof. Voice votes may be made in person or through the use of telephone conferencing equipment, video conferencing equipment or other similar means of communication, and written ballots may be delivered to the Secretary-Treasurer in writing or by facsimile or other electronic transmission (including, without limitation, e-mail). Members of the Council, when absent from a meeting, may communicate their vote, ~~in writing,~~ upon any proposition voted upon at such meeting by delivering their vote to the Secretary-Treasurer ~~and have it~~ in writing or by facsimile or other electronic transmission (including, without limitation, e-mail), in which case their votes shall be counted with the same effect as if cast personally at such meeting.

Section 8. ~~The~~ In the absence of a meeting, the Chairman of the Section may at any time, and upon the request of any member of the Council shall, submit or cause to be submitted in writing or by facsimile or other electronic transmission (including, without limitation, e-mail), to each of the members of the Council, any proposition upon which the Council may be authorized

to act, and the members of the Council may vote upon such proposition or propositions so submitted, by communicating their vote thereon, in writing over their respective signatures or by facsimile or other electronic transmission (including, without limitation, e-mail), to the Secretary-Treasurer, who shall record upon his minutes each proposition so submitted, when, how, at whose request same was submitted, and the vote of each member of Council thereon, and keep on file a record of such ~~written and signed~~ votes. If the votes of a majority of the members of Council so recorded shall be in favor of such proposition or if such majority shall be, against such proposition, such majority vote shall constitute the binding action of the Council.

Section 9. As used in this Section 9, “legislation” means any existing or proposed statute, rule or regulation of the State of Texas or the United States, or any department or agency of the State of Texas or the United States, and “legislative position” means any position or action taken or proposed to be taken by, on behalf of or in the name of this Section to sponsor, initiate, propose, recommend, support, remain neutral as to, or oppose legislation in either House of the Texas Legislature, in the United States Congress or before any department or agency of the State of Texas or the United States. The Section shall not adopt or take any legislative position unless such legislative position is approved by a majority of a quorum of the Council of the Section.

ARTICLE VII

Meetings of the Section

Section 1. The annual meeting of this Section shall be held during the annual meeting of the State Bar of Texas, and at the same city or place, with such program and order of business as may be arranged by the Council. At the option of the Council, the annual meeting of this Section shall be held during the continuing legal education event sponsored by the University of Texas commonly referred to as The Annual Conference on Securities Regulation and Business Law Problems, or any successor thereto, and at the same city or place, or at any other state-wide, recognized continuing legal education event, with such program and order of business as may be arranged by the Council.

Section 2. Special meetings of this Section may be called by the Chairman upon approval of the Council, at such time and place as the Council may determine. Written notice of any special meeting shall be ~~mailed~~communicated to each member of the Section by mail or by facsimile or other electronic transmission (including, without limitation, e-mail) at least ten (10) days before the date set for such special meeting. Such notice shall set forth the purpose or purposes of this meeting in reasonable detail, and no action may be taken at any special meeting unless such action is set forth in such notice as one of the purposes of the meeting. ~~Any notice that otherwise satisfies the foregoing requirements and is transmitted via electronic mail or other recognized similar means shall constitute a valid written notice of a meeting.~~

Section 3. The members of the Section present at any meeting shall constitute a quorum for the transaction of business.

Section 4. All binding action of the Section shall be by a majority vote of the members present.

ARTICLE VIII

Miscellaneous Provisions

Section 1. The fiscal year of this Section shall begin at the close of the annual meeting of the Section and end at the close of the next succeeding annual meeting.

Section 2. All bills incurred by this Section, before being paid by the Secretary-Treasurer, shall be submitted to and approved by the Chairman or the Vice Chairman, or, if the Council shall so direct, by both of them.

Section 3. No salary or compensation shall be paid to any officer, member of the Council, or member of a committee.

Section 4. No action, policy determination, or recommendation of this Section or any committee thereof shall be deemed to be, or be referred to as, the action of the State Bar of Texas prior to submission of the same to, and approval by, the Board of Directors of the State Bar of Texas, the General Assembly of the State Bar of Texas in annual convention, or duly authorized referendum of the State Bar of Texas. Any resolution adopted or action taken by this Section may on request of this Section be reported by the Chairman to the annual meeting of the State Bar of Texas for action thereof.

Section 4a. In lieu of any notice which may be authorized or required in these Bylaws to be sent in writing or by mail or other similar means, to any member of the Section, or to any member of the Council or any other person, such notice may instead be provided by facsimile or other electronic transmission ~~or other electronic communication~~ (including, without limitation, e-mail) in a manner designed to provide substantially the same type of notice as would have been provided by mail or other specified means.

Section 5. The Bylaws may be amended at any annual meeting of this Section. All amendments must be approved by a majority vote of the members of the Section present and voting and by a majority vote of the Council, and shall not become effective until approved by the Board of Directors of the State Bar of Texas.

Section 6. The Secretary-Treasurer will submit to the accounting department of the State Bar of Texas on behalf of this Section on a monthly basis copies of all bank statements, cancelled checks, deposit slips and the check register.

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