

**Second Restated Bylaws
New Mexico Society of Certified Public Accountants**

Effective Date: January 10, 2000

Article 1. NAME

The corporate name of this Society shall be New Mexico Society of Certified Public Accountants, hereinafter-designated Society.

Article 2. PURPOSE

The purpose of the New Mexico Society of Certified Public Accountants is to advocate for and support the proficiency of its members and the accounting profession through the promotion of professional excellence and high ethical standards.

Article 3. MEMBERSHIP AND ELECTION OF MEMBERS

1. Members of the Society shall be persons who qualify for election as provided in this Article. Said members shall included:
 1. Any person holding a Certified Public Accountant certificate from the State of New Mexico or another state or territory of the United States; or,
 2. Any person meeting the requirements of other classes of membership (non-voting) as established by the Board of Directors.
2. Under its Policies and Procedures, the Society may admit individuals not meeting the membership criteria set forth in this Article; provided, however, that such individuals shall not have the power to vote as a member unless he/she holds a Certified Public Accountant certificate from the State of New Mexico or another state or territory of the United States.
3. Application for membership setting forth the qualifications of the applicant must be made to the Board of Directors in writing, in form and content required by the Board of Directors.
4. An initiation fee shall accompany each application for election. The amount of the fee shall be set and announced from time to time by the Board of Directors.
5. The Board of Directors shall have the authority to require of the applicant any additional information, recommendations, etc., considered necessary to review the application. The review and processing of applications may be delegated by the Board of Directors to the President. The President may refer any application back to the Board of Directors for review.

6. An accounting of all new members will be provided to the Board of Directors at each meeting of the Board of Directors.
7. If an applicant fails to be elected a member, no further application from such person shall be considered by the Board until at least one year from the date of rejection shall have passed.
8. As part of the application each applicant shall agree to abide by these Bylaws and the Policies and Procedures of the Society and the Code of Professional Conduct as promulgated by the American Institute of Certified Public Accountants.

Article 4. TERMINATION OF MEMBERSHIP

1. If a member fails to pay dues, assessments or other indebtedness to the Society, he/she shall be subject to the forfeiture of membership at the discretion of the Board of Directors. When the Board shall have subjected any member to such termination of membership, it shall cause written notice thereof to be given to such members.
2. A person whose membership shall have been terminated for nonpayment of dues, assessments or other indebtedness may be reinstated by the Board of Directors upon application for readmission of such person as a member submitted to the Board. Applicants for reinstatement shall be investigated and approved in the same manner as original applicants for membership.
3. The resignation of a member shall be presented to the Board of Directors. A member in arrears for the payment of any dues, assessments or other indebtedness to the Society may not present a resignation, nor may such resignation be received and acted upon by the Board of Directors, unless such dues, assessments or other indebtedness shall have been paid in full or shall have been canceled by the Board of Directors as elsewhere provided. No member shall be permitted to resign under circumstances, which afford grounds for automatic termination or suspension/expulsion, in accordance with policies and procedures adopted by the Board of Directors.
4. The membership of any member whose certificate as a Certified Public Accountant shall be permanently nullified by a State Board of Accountancy shall be automatically terminated.
5. Any member of the Society may be censured, suspended, or expelled by the Board of Directors, for cause, in accordance with policies and procedures adopted by the Board of Directors.

Article 5. MEETINGS OF MEMBERS

1. The fiscal year of the Society will begin July 1 in each year and the annual meeting of the members of the Society shall be held each year on such date as may be set by the Board of Directors, and after due notice thereof has been given to all members.

2. Special meetings may be called at any time by the President or by a majority of the Directors or shall be called by the secretary upon written request of three percent of members entitled to vote and after due notice thereof has been given to all members. At such a special meeting no business shall be transacted except such as shall be specified in the call thereof.
3. At any meeting of the Society, the presence of 10 members, either present or by mail ballot, shall constitute a quorum. If no quorum be present within one hour after the time appointed for a meeting, such meeting shall be considered adjourned.
4. Due notice of all meetings shall be delivered by mail or electronic media, including facsimile, by the secretary to each member of the Society not less than ten (10) nor more than fifty (50) days prior to the date of the meeting. If notice of any meeting is mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his/her address as it appears on the records of the Society, with postage prepaid thereon. If notice of any meeting is sent electronically (e.g., by electronic mail) or by facsimile, the notice shall be deemed to be delivered when transmitted electronically or by facsimile to the member at his/her e-mail address or fax number as either appears on the records of the Society.
5. The order of business at any meeting shall be as follows:
 1. Call to order
 2. Reading of minutes of last meeting
 3. Election of Directors
 4. Election of Officers
 5. Status Reports
 6. Unfinished Business
 7. New Business
 8. General Business
 9. Adjournment
6. The order of business at any meeting may be changed by a vote of a majority of the members present.

Article 6. DIRECTORS

1. Board of Directors. The governing body of the Society shall be the Board of Directors. Each member of the Board of Directors (a "Director") shall be a member of the Society in good standing and a resident of the State of New Mexico. In addition to the powers conferred upon the Board of Directors herein, it shall have such other powers as are ordinarily given such Boards by custom or law, specifically including, without limitation, the Nonprofit Corporation Act of the State of New Mexico, NMSA 1978, §53-8-1, et. seq. (1998), as the same may be amended from time to time.

2. Selection of Directors. The Board of Directors shall be composed of a representative of each chapter, duly elected Directors-at-large, and the AICPA Council Representative. The number of Directors serving on the Board of Directors at any given time shall be no fewer than eight (8) nor more than fifty (50) individuals. The following officers of the Corporation (as more specifically designated in ARTICLE VII, below) shall at all times also be members of the Board of Directors: Chair, Vice-Chair, and Secretary/Treasurer. The President shall be an ex-officio member of the Board of Directors, but shall not have the power to vote.
3. Quorum. Fifty percent (50%) of the members of the Board of Directors, excluding Chapter Representatives, shall constitute a quorum.
4. Staggered Terms. Upon election or appointment to the Board of Directors, each Director-at-large, shall serve a term of two (2) years. Approximately one-half of the number of Directors-at-large on the Board of Directors shall be elected each fiscal year, thereby providing for continuity of tenure and service of approximately one-half of the number of Directors-at-large serving on the Board of Directors from year to year. The term of each Director-at-large shall commence on the 1st day of July following his/her election or appointment to the Board of Directors. For fiscal year beginning July 1, 2000, approximately one-half of the then serving Directors-at-large shall be elected, and shall serve for that fiscal year; and the other one-half of the then serving Directors-at-large shall be elected, and shall serve for two fiscal years.
5. Resignation, Disqualification or Death of Director. In case of resignation, disqualification or death of any officer or Director, the Board of Directors shall have the power to appoint, by majority vote of the Board of Directors, a member to serve out the unexpired term of such officer or Director.
6. Removal of Director. Any Director may be removed from the Board by a 2/3 vote of the Board of Directors of the Society at a meeting called for such purpose, provided that such action shall not be taken unless notice thereof shall have been incorporated into the notice of the meeting.
7. Persistent Absence. An absence on the part of a Director from three consecutive meetings of the Board of Directors for which said Director has been given notice shall be deemed a tender of his/her resignation of office, unless a satisfactory explanation shall be given to the members of the Board of Directors.
8. Binding Effect. In respect to all consideration of construction of these Bylaws of the Society and their interpretation as well as the construction of the Society's Policies and Procedures, the decision of the Board of Directors shall control and be finally binding upon all members.
9. Rules, Procedures and Records. The Board of Directors shall adopt rules and procedures for the holding of its meetings and the transaction of its business thereat. It shall keep a record of its proceedings and cause a report hereof to be submitted by the secretary of the Society at each regular meeting.
10. Simple Majority. A majority vote of the Directors present at any meeting of the Board shall be necessary on any question brought before it except as provided elsewhere in these bylaws.

11. Notice of Meeting of Board of Directors. The President or any two Directors may call a meeting of the Board of Directors at any time. It shall be the duty of the secretary to notify the Board members at least ten (10) days but not more than fifty (50) days before the proposed meeting. However, the Board of Directors may waive notice at any time.
12. Frequency of Meeting of Board of Directors. The Board shall hold meetings as often as necessary to enable it to govern the Society; provided, however, that the Board shall meet not less frequently than annually in conjunction with the annual meeting of Members referred to in ARTICLE 5.1.

Article 7. OFFICERS

1. Primary Officers. The primary Officers of this Society shall be a Chair, a Vice-Chair, a Secretary/Treasurer, and a President, who shall also serve as the executive director and the chief executive officer of the Society. All primary Officers, other than the President, shall be elected by the Board of Directors from the members of the Society. The Chair, the Vice-Chair, and the Secretary/Treasurer shall always be voting members of the Board of Directors. The President shall be an ex-officio member of the Board of Directors, but shall not have the power to vote.
2. Secondary Officers. The secondary Officers of this Society shall be such assistant secretary or secretaries, and assistant treasurer or treasurers, as the Board may, in its discretion, deem necessary to administer the affairs of the Society, including the recording of such minutes and resolutions undertaken by the members of the Society, or by the Board of Directors, at any duly called and authorized meeting. Any assistant secretary or assistant treasurer of the Society in attendance at any meeting of the Board of Directors, shall not have the power to vote, but shall take minutes, or otherwise serve, as directed by the Board of Directors.
3. Selection and Designation of Officers. The primary and secondary Officers shall be chosen by ballot at the annual meeting of the Board of Directors in the manner provided for in these Bylaws, to commence serving on July 1, following said annual meeting. The Officers shall hold their respective offices for one fiscal year except the Secretary/Treasurer, who shall hold office for two years, and/or until their successors have been duly elected and qualified. Unless otherwise designated by the Board of Directors, the Vice-Chair shall succeed to the office of Chair each fiscal year.
4. Removal of Officer. Any primary or secondary Officer may be removed for cause by a simple majority of the Board of Directors present at a special meeting called to consider the charges against him/her, due notice of such charge and meeting having been mailed or transmitted electronically not less than two weeks before the date set for such meeting.
5. Duties of Chair. The Chair shall preside at all meetings of the members of the Society and of the Board of Directors. In the absence of the Chair, the presiding officer shall be the Vice-Chair. In the absence of both the Chair and the Vice-Chair, the presiding officer shall be the President.

6. Duties of Vice-Chair. In all matters where the Chair would preside, the Vice-Chair shall preside in the absence and stead of the Chair.
7. Duties of Directors. The duties of Directors (other than those who also serve as Officers), shall be to represent the Society, coordinate committee activities, promote attendance and membership in the Society, and any other functions as directed by the Chair and/or Board of Directors. The term of office of each Director shall be two years.
8. Duties of President. The President shall serve as the Executive Director and as Chief Executive Officer of the Society and shall give notice of all meetings of the Society and of the Board of Directors, and shall cause a record to be kept (personally or by delegation to any secondary Officer) of the proceedings of all other matters of which a record shall be ordered by the Society. The President shall notify persons elected to membership of their election and shall conduct correspondence relating to the Society. The President shall have charge of the seal of the Society and perform all duties pertaining to the office of the President. The President, or such secondary Officers as shall be delegated by the President, shall keep a register of the members of the Society, which shall contain their mailing and electronic addresses.
9. Duties of the Secretary/Treasurer. The Secretary/Treasurer, or such secondary Officers as shall be delegated by the Secretary/Treasurer, shall be responsible for the financial reporting of the Society. The Secretary/Treasurer shall present reports on the financial condition of the Society at each meeting of the Board of Directors and at the Annual Business Meeting of the Society. The Secretary/Treasurer shall have responsibility over the Society's funds and investments as may be delegated by the Board of Directors. The Secretary/Treasurer, and each secondary Officer he or she shall delegate, shall perform all other duties ordinarily pertaining to the office of Secretary/Treasurer or delegated to him or her by the Board of Directors.
10. Examination of Books and Records. The Secretary/Treasurer, or his or her delegated secondary Officer, shall promptly make available for examination any and all books and records of the Society as requested by the Board. The Board, at its discretion, may cause the financial records of the Society to be audited or reviewed after the close of the fiscal year.
11. Committees. The Chair shall appoint such committees and task forces as deemed necessary to carry out the business of the Society.
12. Executive Committee. An executive committee, consisting of the Chair, the Vice-Chair, the President, and the Secretary/Treasurer, shall be charged with addressing policy and procedural issues and other emergency issues as directed by the Board of Directors. The executive committee shall present to the Board of Directors a written statement of the policies and procedures of the Society, which statement shall be voted upon and if approved by a majority of the Directors at a meeting called for the purpose of voting on the statement policies and procedures, shall be binding upon the Board of Directors and all members of the Society. Copies of the written statement of policies and procedures (the "Policies and Procedures") shall be made available to all members of the Society upon written request.

Article 8. NOMINATION AND ELECTION OF OFFICERS AND DIRECTORS

1. Nominating Committee. A nominating committee, selected in accordance with Society Policies and Procedures, shall meet prior to the annual meeting of members referred to in ARTICLE V.1, above, for the purpose of nominating the Vice-Chair, the Secretary/Treasurer, and the Directors-at-large, as well as the AICPA Council Representatives (as required) and members of the nominating committee for the following year. Only if necessitated by the resignation of the Chair, or the Vice-Chair as the incumbent Chair, the nominating committee shall also nominate a Chair.
2. Report of Nominating Committee. The nominating committee shall render its report to the President of the Society not later than 45 days before the annual meeting. A copy of the nominating committee's report shall be sent by the President to each member of the Society at least 30 days prior to the annual meeting. Prior to the annual meeting of members, additional nominations for officers and directors may be made to the President, in writing, signed by five voting members in good standing.
3. Succession to Office of Chair. The office of Chair shall automatically be filled by the person serving as Vice-Chair in the prior year and the office of Vice-Chair shall be filled by nomination of the nomination committee. All other members of the Board of Directors (except for Chapter Representatives) and nominating committee shall be elected by ballot at each annual members' meeting of the Society.
4. Polling Judges. The President of the Society shall appoint three (3) members of the Society to serve as judges at the annual meeting for the election of officers and directors. No judge shall be an officer or a candidate for office.

Article 9. VOTING

1. Members unable to attend meetings may vote by regular or electronic mail on any matter requiring their vote. Mail ballots must be signed by the voting members and signed ballots must be in the hands of the secretary prior to the meeting when the voting takes place. The ballots shall be counted by the committee of three (3) judges appointed by the president, and a report of the tally will be submitted at the annual meeting of the members of the Society.
2. No member shall be entitled to vote unless all delinquent dues, assessments or other indebtedness to the Society have been paid.

Article 10. DUES

1. The amount and dates payable of annual dues of the Society shall be set by the Board of Directors, and shall be announced to all members in writing.
2. In meritorious cases the Board of Directors may grant an extension of time for payment or may cancel any dues, assessments or other indebtedness of any member and may order the exemption of any member from any dues, assessments or indebtedness, which may become due in the future.

Article 11. AMENDMENTS

1. Amendments or additions to the bylaws of the Society may be made by simple majority of the Board of Directors at a meeting duly called for such purpose.

Article 12. FISCAL YEAR AND ADMINISTRATIVE YEAR

1. The fiscal year and administrative year of the corporation shall commence on July 1 of each year and end on June 30.

Article 13. COMPLAINTS AGAINST MEMBERS

1. Any complaint against a member of the Society under this Article shall be submitted to the Professional Ethics Committee provided it is made in writing and signed by the person or persons presenting the complaint. The complaint shall be kept confidential and shall promptly be examined by the Professional Ethics Committee.
2. **DISCIPLINE WITHOUT HEARING.** Membership in the Society shall be suspended or terminated without a hearing for disciplinary purposes as provided in Sections 1 and 2 under such conditions and by such procedure as shall be prescribed by the Board of Directors.
 1. **CRIMINAL CONVICTION OF MEMBER.** Membership in the Society may be suspended without a hearing should there be filed with the secretary of the Society a judgement of conviction imposed upon any member for: A crime defined as a felony under the law of the convicting jurisdiction; the willful failure to file any income tax return which he/she, as an individual taxpayer, is required by law to file; the filing of a false or fraudulent income tax return on his/her or a client's behalf; or the willful aiding in the preparation and presentation of a false and fraudulent income tax return of a client; and shall be terminated in like manner upon the similar filing of a final judgement of conviction.

2. **SUSPENSION OR REVOCATION OF CERTIFICATE.** Membership in the Society may be suspended without a hearing if a member's certificate as a Certified Public Accountant, or license to practice as such or to practice public accounting is suspended as a disciplinary measure by a State Board of Accountancy; but, such suspension of membership shall terminate upon reinstatement of the certificate. Membership in the Society may be terminated without hearing if such certificate, license or permit is revoked by the said State Board of Accountancy.
3. **SUMMONING OF THE MEMBER.** Application of provisions of Sections A and B shall not preclude the summoning of the member concerned to appear before the Joint Trial Board pursuant to Section 3 of this Article.
3. **DISCIPLINE BY JOINT TRIAL BOARD – REASONS AND PROCEDURES.** Whenever a member of the Society, whether or not he or she is a member of the American Institute of CPAs, shall be charged with violating these Bylaws, the Society's Policies and Procedures, or any Code of Professional Ethics promulgated hereafter, the said charge shall be initiated in accordance with the terms of any then existing agreement between the Society and the AICPA relating to ethics enforcement. In particular the Settlement Authority referred to in AICPA By-Law Section 3.2.2.6. and described in pages 1 through 6 Exhibit B have been adopted by the Society and are considered an integral part of the JEEP Agreement signed August 22, 1988. All committees, boards and other bodies of the Society are hereby empowered to carry the provisions of this section into effect by acting jointly and in cooperation with the appropriate bodies of the AICPA under the agreements, rules and procedures in effect between the Society and the AICPA at the time of such action.
4. **JOINT TRIAL BOARD HEARING.** The hearing shall be conducted under the terms of the agreement, and the operative rules of the Joint Trial Board Division of the AICPA and the operative joint ethics enforcement procedures in effect by virtue of the agreement between the Society and the AICPA.
5. **PUBLICATION OF JOINT TRIAL BOARD ACTION.** Notice of the result of final action in every disciplinary matter under Section 3 of this Article shall be published in a membership periodical of the Society. In the case of action taken under Section 3, notice shall be in a form approved by the chair of the hearing panel which took the last action in the matter. In the case of action taken under Section 2 of this Article, the notice shall be in a form approved by the chairman of the Regional Trial Board. In every case the notice shall disclose the name of the member involved in the hearing panel if the Professional Ethics Committee so decides by a majority of the members present and voting at the meeting or hearing at which the action is taken. No such publication shall be made until such decision shall have become effective according to any then governing rules.

Article 14. CHAPTER DISTRICTS

1. The state of New Mexico shall be divided into various chapter districts, which may be further divided at any time upon application for formation of a new chapter to the Society and approval by the Board of Directors. Each chapter must have at least ten members at the time of the formation of the chapter.
2. A properly organized chapter of the Society may exercise such customary functions of the Society as are not reserved by these Bylaws to the officers or Board of Directors of the Society. The chapter may not obligate the Society in any manner.
3. Bylaws of the chapter will not be in conflict with those of the Society, and any changes therein shall take effect upon approval of the Board of Directors of the Society. The bylaws of each local chapter shall provide for:
 1. A fiscal year coinciding with that of the State Society;
 2. Election of officers and tenure of office to coincide with the officers of the Society;
 3. Membership limited to members of the State Society in good standing.
4. At its first meeting and annually thereafter, each chapter shall elect from among its members a president, a secretary and such other officers and directors as may be deemed necessary. The chapter secretary shall keep record of proceedings subject to inspection by the chapter president and the Board of Directors of the Society.
5. Chapters may be separately incorporated provided that proposed articles of incorporation of such chapters and any proposed amendments thereto receive the approval of the Board of Directors of the Society prior to their being filed with the State Corporation Commission. Further, such articles of incorporation must provide for full and complete compliance by the chapter with the bylaws of the Society as they relate to the local chapter.

Article 15. PROFESSIONAL ETHICS

The rules of professional ethics of the Society shall consist of the Code of Professional Conduct of the American Institute of Certified Public Accountants (AICPA) as now constituted and as may be hereafter amended.

Article 16. INDEMNIFICATION

To the extent permitted by law, any person made, or threatened to be made, a party to any action, suit or proceeding, civil or criminal, by reason of being or having been, or having done or not having done anything in the capacity of a Director or Officer of the Corporation, will be indemnified by the Corporation against all reasonable expenses and costs, including attorneys fees, actually and necessarily incurred by, or imposed upon, such person in connection with or resulting from such action, suit or proceeding, or in connection with any appeal therein, including any judgement, fine or settlement; provided, however, that either; (a) the action, suit or proceeding will be prosecuted against such person to final determination and it will not be finally adjudged that such person was liable for negligence or misconduct in the performance of duties to the

Corporation as such Director or Officer; or (b) the action, suit or proceeding will be settled with the approval of the Board or otherwise terminated as against such person without a final determination on the merits and the Corporation will be advised in writing by its counsel that in the opinion of such counsel such person was not liable for negligence or misconduct in performance of duties of the Corporation, as charged in such action, suit or proceeding. The foregoing right of indemnification will not be exclusive of any other rights to which any such Director or Officer may be entitled as a matter of law, or which may be lawfully granted to such Director or Officer; and the indemnification hereby granted by the Corporation will be in addition to and not in limitation of any other privilege or power which the Corporation may lawfully exercise with respect to indemnification or reimbursement of Directors and Officers. The term "person" as used in this article will include the personal representative of a Director or Officer.