

By-Laws
of the

FLACARS, Inc.



FLACARS, Inc. By Laws

Revised

4-9-05

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ARTICLE I NAMES

Section 1.

The name of the corporation shall be **FLACARS, Inc.** In these by-laws, the abbreviation “**FLACARS**” shall refer to **FLACARS, Inc.** In these by laws, ‘**Association**’ shall refer to the **FLACARS Association**.

ARTICLE II OBJECTIVES

The objective of **FLACARS** shall be to raise the expectations of all members, to educate, help promote favorable legislative changes and strengthen the livelihood of the membership.

FLACARS shall provide a platform for member based association(s) and industry related groups.

FLACARS shall provide a platform for groups of members to deposit funds in trust, escrow, savings, or checking accounts so that funds may be used as directed by the members that commit such funds.

The goals of **FLACARS** shall be to protect the rights of the membership, promote the common welfare of the membership and the recovery industry, and to promote the financial growth and stability of **FLACARS** and any subgroups.

FLACARS shall strive to facilitate alliances between licensed Florida recovery agents/agencies, qualified recovery agents/agencies from any other State or Country, lenders/lender representatives, vendors/vendor representatives, and any other persons that work in or around the recovery industry.

FLACARS shall provide a platform for benevolent groups of members to deposit funds in trust, escrow, savings, or checking accounts so that funds may be used as directed by the members that commit such funds.

ARTICLE III FLACARS MEMBERSHIP

There shall be three classes of membership within the Florida Association (**FLACARS**).

Class 1 Members	Members shall be Florida licensed E or EE Recovery Agents in good standing with the State Agency granted statutory authority over repossession activities in Florida.
Class 2 Associate Members	Associate Members shall be those persons who are connected to the repossession industry. Such members shall include but not be limited to: a) Recovery Agents, managers, or staff employed by any repossession agency. b) Law Enforcement c) Government Agency Employees
Class 3 Vendors and Sponsors	Sponsors and Vendors have a business relationship to FLACARS members. They provide products and/or support services to the repossession industry. These may include insurance agents/groups, product suppliers, attorneys, transporters, liquidation services, etc.

Membership is not transferable nor a business asset of the member. It is a privilege of such member.

‘R’ Designees	A FLACARS member (any class) in good standing that also holds a valid Class ‘R’ recovery license issued by the State Agency granted statutory authority over repossession activities in Florida.
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ARTICLE IV FISCAL YEAR

The fiscal year of FLACARS shall end on the thirty first (31st) day of December each year.

ARTICLE V MEMBERSHIP MEETINGS

Time, place and frequency of membership meetings shall be determined and set forth by standing rules by the officers of the association as allowed by standing rules.

Sectional meetings of the members may be held at any time and place determined by the officers as allowed by standing rules.

ARTICLE VI MEMBERSHIP AND DUES

Standing rules shall prescribe regulations pertaining to the membership; the handling of applications; the issuance of certificates and proxy cards, receipts for dues, and all other matters necessary to the proper administration of FLACARS.

Standing rules pertaining to the administration of the association and activities of the officers shall be approved by a majority vote of members of the association present at any meeting deemed valid by standing rules; may be revoked in part or in full by two-thirds vote of the 'R' Designees if not designed in accordance with these by-laws of the corporation and the corporation's stated purpose; may be approved on a temporary basis at the request of officers by the director(s) until such time as they can be approved or denied by a vote of the membership.

It shall be the duty of the officers of the FLACARS to set any special dues of members and to make all necessary assessments to maintain the association and administer the provisions of the by-laws. Denial of any member government action by the director(s) must be based on non-adherence to these by-laws and must be supported by a two-thirds majority of the 'R' Designees. Dues may be deemed unreasonable by a majority vote of the association membership or a two thirds majority of the 'R' Designees.

ARTICLE VII DIRECTOR(S) / 'R' Designees

Section 1.

The director(s) shall oversee all operations of FLACARS; shall report at least twice a year to 'R' Designees in writing or by electronic means; shall observe for adherence to these by-laws; shall have the right to remove association officers for just cause and by a two thirds (2/3) majority vote of the 'R' Designees; shall make recommendations to the Officers on direction.

The board of director(s) shall be composed of not less than one 'R' Designee and may be increased and decreased from time to time at the discretion of the 'R' Designees provided that a majority vote of the 'R' Designees shall be required to amend this composition, add any new directors, or decrease the number of directors.

The 'R' Designees shall elect at least one director.

The director(s) shall serve for whatever period of time the 'R' Designees shall permit by standing rule. Director(s) may be removed or replaced by a majority vote of the 'R' Designees.

'R' Designees and any director they elect shall not have any authority over the association or the officers except as described in these by-laws.

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Section 2.

The 'R' Designees must hold a valid 'R' recovery license issued by the State Agency granted statutory authority over repossession activities in Florida. An individual 'R' designation may be re-assigned to another business partner or employee by that 'R' Agency.

The 'R' Designees shall be the stock holders of FLACARS. 'R' Designees shall own one share of FLACARS stock provided that individual is in good standing with the FLACARS association.

Individual 'R' Designees may choose not to be a stock holder. 'R' Designees shall release back any stock when/if their individual association membership lapses or is revoked. 'R' Designees must only own one share of FLACARS stock at any given time.

Section 3

The director(s) shall retain the right and as an acceptable function of the corporation to create escrow/bank account(s) of behalf of any group within the recovery industry that request funds be held on their behalf. Any such defined group may exist as a sub-group of FLACARS. Their structure and purpose must be in line with the defined purpose of FLACARS. Subgroups must be approved by the association by standing rule.

Any funds collected and deposited in checking, escrow or trust on behalf of a sub-group shall be the sole property of that sub-group. The director(s) shall not require or retain any compensation for providing this service. These funds may not be moved or accessed by the director(s), 'R' Designees, or officers without the expressed written permission of a majority of the sub-group by budget. Should any taxes or fees be required of FLACARS for the generation of these funds or subsequent reinvestment or expenditures of these funds by the sub-group, FLACARS may be compensated by the sub-group for these expenditures and professional services retained on their behalf.

The director(s) shall retain the right and as an acceptable function of the corporation to create escrow/bank account(s) of behalf of any sub-group within the corporation for the purpose of conducting business in line with the by-laws. Such accounts will be handled at the discretion of standing rules and the officers voted on by that sub-group.

Any sub-group created for the purpose of pooling funds as defined above shall not be the property or considered a permanent part of FLACARS unless so defined by their membership. Any such relationship between the director(s) and any created sub-group may be severed at the request of a two thirds majority of 'R' Designees, or of a two thirds majority of any created sub-group.

Any such sub-group must set up standing rules to govern their own existence and properly budgeted expenditures of funds collected. The director(s) and 'R' Designees shall retain no authority over the standing rules of this sub-group provided the structure and purpose of the sub-group is in line with that of FLACARS, FLACARS by-laws, and/or FLACARS stated structure and purpose.

A subgroup may be referred to as an association or alliance.

The FLACARS association shall conduct business on behalf of FLACARS, Inc.

Director(s) shall oversee fiscal financial reports to ensure all government requirements are met.

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ARTICLE VIII OFFICERS OF THE ASSOCIATION

Section 1.

The officers of the association “the officers” shall always include a president, treasurer, and secretary, may also include other officers as approved by standing rules as prescribed in these by-laws.

Section 2.

The duties of the association officers shall be as follows:

PRESIDENT:

The president shall be the spokesperson of the association; shall chair or appoint a chairman at all meetings of the officers of the association, and at all sectional meetings of the membership as may be set by the board or officers; shall be an ex officio member of all committees; shall sign or have his or her name imposed on all Certificates of Membership; may appoint any committee he or she may deem advisable to promote the welfare of the association; and may suspend and temporarily remove any officer of the association because of inefficiency, bad conduct, or disloyalty, subject to approval of a majority of the membership or a two thirds majority of the Class 1A members; shall do any and all things that, with the approval of the membership, he or she may deem necessary to carry out the goals of the association, to protect the rights and interests of the association, and to promote the common welfare of the members; must be a ‘R’ Designee; must not be a FLACARS corporate director.

SECRETARY:

All notices of meetings of the officers shall be sent out by the Secretary. He or she shall record or supervise the recordings of the procedures of all meetings, and send out copies of proceedings or minutes of proceedings to all Officers of Member Government and the Manager of the board of FLACARS.

Notice of the time, place, and date of any annual meeting shall be mailed by US Mail or by E-Mail with confirmation of receipt to all members at least forty five (45) days prior to the date of that meeting by the secretary.

The secretary shall supervise the publication of any reports and/or bulletins.

Should the president’s office be vacated through death or incapacitation, the secretary shall call a meeting of the Officers within thirty (30) days.

The secretary shall follow all and any other duties set up by the board of directors, shall report to the board, and carry out all policies set up by the board.

The secretary shall maintain copies of all financial records over six months old as kept by the treasurer of the member government.

The secretary must be a ‘R’ Designee; must not be a FLACARS corporate director.

TREASURER:

The treasurer shall be in charge of all financial records of the member government; shall be an ex officio member of all committees; and shall submit a reports as requested and set down in standing rules to the corporate director(s), the officers and the membership. The treasurer shall maintain a complete record of the membership fees, dues, assessments and all other monies coming into association operating accounts and funds; receive and pay all bills subject to the approval of association officers; signing all checks; shall be bonded in the amount determined by the board; shall reimburse director(s), officers, and committee members for all incidental expenses incurred in connection with the duties of their office as authorized in the By-laws Article VIII Expenses; must be a ‘R’ Designee; must not be a FLACARS corporate director.

Section 3. The director(s) shall set up operating bank accounts as needed for the Officers to conduct association business on the member’s and FLACARS’s behalf. Such accounts shall be subject to standing rules created in accordance with these by-laws.

Section 4. The director(s) shall reserve the right to operate the corporation/association at any such time as no officers are in place and with authority so vested by a majority of ‘R’ Designees.

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ARTICLE IX EXPENSES

Carrying out the duties in the official capacity of Officer, Director, or Committee Member for FLACARS entitles same to certain reimbursement of expenses as follows:

Association officers, corporation directors, and committee members for the FLACARS or any subgroup shall serve without compensation.

Mileage Allowance

Mileage to and from required functions such as Board Meetings, Committee Functions, speaking engagements at district meetings and other, shall not be reimbursed except by majority board approval.

Meals

Meals shall be not reimbursed.

Miscellaneous expenses that include, but are not limited to, supplies and telephone necessary in carrying out the duties for the association may be recovered at or near actual cost.

Expense Vouchers

Association expense vouchers, available from the Treasurer, must be completed and mailed along with paid receipts to the Treasurer for reimbursement. The Treasurer, in some cases, may need approval from the Officers; otherwise, reimbursement should be received within fifteen (15) days.

ALL OFFICERS may be reimbursed for all just and reasonable expenses he or she incurs in performance of his or her duties pending approval of the majority of the other officers.

ARTICLE X COMMITTEES

In order to carry out the purposes of the association, the officers may create special committees.

These special committees may solicit the membership of the association to encourage members to join with the special group in which they are most interested.

ARTICLE XI CODE OF ETHICAL MEETINGS

It shall be the duty of the officers upon the recommendation of the ethics committee to approve a parliamentarian, after submitting the proposed parliamentarian to the officers of the association for approval. It is necessary that all actions of the association, officers, directors and members shall be in accordance with Robert's Rules of Order.

FLACARS members, owners and officers are always welcomed at any stock holder's, association or officers meetings so long as their behavior is not disruptive. They shall not participate in any discussions unless specifically recognized by the chairman. The chairman's move to recognize or deny recognition of anyone at a board meeting may be over ruled by a two thirds majority vote of the other officers or members present or represented by proxy.

Owners, director(s) and association members are always welcomed at association member government meetings so long as their behavior is not disruptive. They shall not participate in any discussions unless specifically recognized by the meeting chairman. The chairman's move to recognize or deny recognition of anyone at a board meeting may be over ruled by a two thirds majority vote of the other officers or members present or represented by proxy.

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ARTICLE XII REPORTS AND PUBLICATIONS

An annual FLACARS financial report shall be made to the members at or as early as possible following the closing of every fiscal year. The officers may authorize the publication of a periodic bulletin to keep the members informed on the activities of FLACARS. All such publications and reports shall be supervised by the secretary.

An annual association financial report shall be made to the membership at or as early as possible following the closing of every fiscal year. The officers may authorize the publication of a periodic bulletin to keep the membership informed on the activities of the association. All such publications and reports shall be supervised by the secretary.

The association shall keep at its principle office in the State of Florida, the original copy of these FLACARS By-Laws, any operating agreement and/or standing rules of FLACARS or the association, the minutes of all board and officers meetings, reports of the standing committees, reports of the treasurer, all amendments to the operating agreement and/or standing rules, and other such records as needed, and they shall be open to inspection by owners or members at any reasonable time. If no office exists, they shall furnish copies to members upon receipt of written request.

ARTICLE XIII VOTING

FLACARS 'R' Designees may accumulate votes and vote by proxy. Proxies must be submitted to the director(s) for certification prior to any vote. Proxy voting on behalf of any FLACARS 'R' Designees must be done by another FLACARS 'R' Designee. A two thirds (2/3) majority of FLACARS 'R' Designees and/or their proxy votes constitutes FLACARS owner's quorum.

Director's meetings and/or officers meetings may be held on telephone conference call or internet chat. Internet chat meetings and e-mail voting must be documented entirely and participating parties must authenticate their content. In both instances minutes must be taken by the secretary or someone appointed by the chairman of the meeting.

At association membership meetings votes may not be accumulated and proxy voting is prohibited. Members who fail to be in good standing shall not be entitled to vote. Voting qualifications and requirements shall be set down in standing rules, approved by the membership, and published to the director(s).

Any membership vote may be taken by written ballot if requested. On any matter, members may be polled and response to poll may be documented in writing, signed by each member, and considered completely binding. These results require a majority of all members to approve any issue or expenditure to be binding and will over rule any majority vote taken at a formal meeting.

Unless otherwise stated in by-laws or standing rules, a majority always rules.

ARTICLE XIV TERMS OF OFFICE

Standing rules may be created by the FLACARS 'R' Designees for terms and length of time a 'R' Designee may serve as a director.

Standing rules shall be created by the members of the association for terms and length of time a member may serve as an officer of the association.

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ARTICLE XV

LIABILITY OF DIRECTOR(S) & OFFICERS

Acting in the official capacity of officer, director, owner, or committee member for the FLACARS entitles same to not be held personally liable for the debts, liabilities, or other obligations of the association or FLACARS.

The Secretary may arrange liability insurance for all directors, officers and committee members and shall present for officers approval, information on costs and limits of liability proposed for the following year. Such insurance shall be of a form and type, and from an insurance company of such type as to preclude any such directors, officers and committee members from personal liability while in the performance of his or her official capacity and duty for the Florida Association of Independent Repossessors, Inc. provided such duty is carried out in compliance with the purpose of FLACARS and these By-Laws.

The association shall, to the maximum extent permitted by Florida Law, indemnify each director, officer and committee member against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any business of this corporation, and shall have the power to advance to each such director, officer and committee member expenses incurred in defending any such proceeding to the maximum extent allowed by law. For the purpose of this article, a "director, officer or committee member" of the Association includes any person who is or was a director, officer or committee member representing this association in any capacity.

ARTICLE XVI

IRREVOCABLE NON DISTRIBUTION CLAUSE

FLACARS has set aside this section as an irrevocable by-law of FLACARS. There shall be no profit sharing, dividends or disbursement of funds generated by the operation of FLACARS to the stockholders('R' Designees), members or directors for any purpose unless duly approved by a unanimous vote of 100% of all stockholders('R' Designees). This does not include reimbursement of approved expenses relating directly to the operation of the corporation. The purpose of the corporation is the beneficial advancement of the membership of any association within FLACARS and the growth of the FLACARS association. By purchasing a share or portion of share in the corporation, the shareholder agrees to the foregoing as an irrevocable agreement between FLACARS stockholders('R' Designees) and shall be binding upon all past, current and future stock-holders, regardless of investments of FLACARS.

ARTICLE XVII

AMENDMENTS / STANDING RULES

The By-Laws may be amended or repealed by a two thirds (2/3) majority vote of all the 'R' Designees. Exception: Article XVI shall require unanimous vote of approval by 100% of the 'R' Designees to be amended or repealed.

Any request for repeal, revisions or amendments to these By-Laws must be in writing, and may be distributed to all 'R' Designees. Such request must be also submitted to the secretary and/or officers and/or director(s).

Any and all actions requiring regulations and rules that are not covered by the by-laws shall be addressed by standing rules.

Standing rules pertaining to the administration FLACARS association and activities of the officers shall be approved by a majority of the Class '1' members. Association standing rules may be modified by the director(s) with the documented approval of a two-thirds majority of the 'R' Designees.

Standing rules pertaining to the administration of FLACARS, Inc. and activities of the director(s) shall be approved by a majority of the 'R' Designees. Standing rules adopted by 'R' Designees must be modified by 'R' Designees. Standing rules adopted by 'R' Designees shall supercede any standing rules adopted by association. 'R' Designees shall have easy access to documentation of all standing rules. 'R' Designees shall not create standing rules that hinder the association from operating FLACARS Inc. in line with FLACARS stated purpose and by-laws.