

Operating Procedures

Centre Region Model Investment Club of the Central Pennsylvania Chapter of BetterInvesting

Officers:

1. The officers of the **Centre Region Model Investment Club** shall be a President, Vice President, Secretary, and Treasurer elected from the Primary and Associate Partners of the Club. An Assistant Treasurer, Portfolio Manager, Stock Monitor Chair, Publicity Chair, and Audit Chair shall be appointed by the President. Other officers and committee chairs as needed may be appointed by the President.
2. Officers shall be elected at the March meeting, take office at the May meeting, and serve one year or until new officers are elected. No officer may hold the same office for more than three consecutive years with the exception of the Treasurer who may serve an unlimited term of office. If a vacancy occurs, an interim election shall be held to fill the vacancy for the balance of the term.

Duties:

- **President:** The President's duties are to preside over meetings, set meeting dates and locations, notify partners of meetings, distribute an agenda for each meeting, appoint partners to appointed positions and to committees, insure resolutions passed by the Club are implemented, and update The Welcome Packet for new partners. The President will become an Associate Director of the Central PA Chapter (CPAC) of BetterInvesting (BI) for his/her tenure if not already a CPAC Director.
- **Vice President:** The Vice President takes the place of the President when the President is absent or incapacitated. The Vice President is responsible for the Club's education program.
- **Secretary:** The Secretary keeps a record of Club business, records the minutes for all meetings, and prepares Club correspondence. The Secretary keeps a record of attendance at monthly meetings by Club partners and guests and maintains a waiting list of proposed partners (guests) who indicate an interest in joining the Partnership (see Membership). The Secretary updates the Club's list of partners.
- **Treasurer:** The Treasurer keeps records of the Club's receipts and disbursements and partners' interests in the Club. The Treasurer will place the buy and sell orders authorized by partners with the Club's broker and prepare the Club's monthly Valuation Statement. He/She will see that required tax information is compiled and file the necessary reports with tax agencies.

Appointed Positions:

1. **Assistant Treasurer:** The Assistant Treasurer assists with performing Treasurer duties. He/She takes the place of the Treasurer when the Treasurer is absent or incapacitated.
2. **Portfolio Manager:** The Portfolio Manager (PM) manages the Club's portfolio by maintaining, updating, and distributing the Portfolio Spreadsheet, the Monitor's Chart, the Portfolio Diversification Chart, and the Portfolio Manager's Monthly Report. The PM informs the partners of buy, hold, and sell decisions given by the monitors at each meeting.
3. **Stock Monitor Chair:** The Stock Monitor Chair oversees the Club's stock monitors. The chair trains the stock monitors and works with them. Stock monitors are Club partners who follow companies in the Club's portfolio, email monthly reports on their companies to the other partners, and periodically report on them at Club meetings. The Stock Monitor Chair updates the Monitor's Manual as needed.

4. **Publicity Chair:** The Publicity Chair provides media outlets with timely information for Club activities.
5. **Audit Chair:** The Audit Chair coordinates the yearly audit of Club financial records for the past year. The Chair along with another partner will be appointed by the President in March of each year. The audit should be completed during April with results reported at the May meeting of the Club. The Treasurer will be an observer during the audit.

Membership:

1. A guest must attend three (3) Club meetings before requesting membership in the Centre Region Model Investment Club as an Associate Partner. At the guest's third meeting, he/she may request admittance into the Club.
2. Membership shall be limited to 20 Associate Partners at any one time.
3. If the club has 20 Associate Partners, the Secretary shall keep a waiting list of proposed partners (guests) who would like to join the club. When a vacancy exists, the proposed partner (guest) who has been on the waiting list the longest shall be discussed and voted upon for membership at the next general meeting. A simple majority of the partners present at this meeting shall be required for admittance. The President shall draft a letter informing the proposed partner that he/she has been approved or disapproved for membership.
4. All investment club partners must be members of BetterInvesting. New partners will be charged the required BetterInvesting membership dues at the first meeting if they are not currently a member of BetterInvesting.
5. Dues shall be a minimum of \$30.00 per partner per month for every partner of the Club. Each partner may invest more each month in increments of \$10.00 to a maximum of \$100.00. No one partner may own more than 20% of the Club's net worth. Monthly dues may be changed at any general meeting by a 2/3rds approval of the partners (both Primary and Associate) attending that meeting.
6. Advanced Payment of Dues:
 - If the partner is in Good Standing, monthly dues may be paid in advance. Good Standing is defined as being in compliance with attendance and payment of dues requirements of the Club.
 - Advanced monthly dues payments may be made to cover a period of up to one year. The year is defined as the Partnership's fiscal year which begins on January 1st and ends on December 31st of each year. Payments are made by submitting such payment to the Treasurer. It is the partner's responsibility to assure that the period being paid in advance and in equal fixed amounts per month is designated when submitting payment.
 - The total amount of the advance payment will be credited to the partner's account upon receipt by the Treasurer. The Treasurer will keep a record of the months for which dues have been credited. Additional dues payments during the applicable fiscal year, either on a monthly basis or as an advanced payment, may not be made until the month following the period for which dues have already been paid.
 - Monthly dues payments made by a partner that would exceed monthly dues for the Partnership's fiscal year will be returned to the partner by the Treasurer.
7. New partners shall be required to deposit \$50 at the first meeting they attend as a partner. This amount will be deposited into their account and is in addition to BetterInvesting membership dues.
8. Attendance at meetings may be in person or via the internet. If a partner is unable to attend a meeting, he/she must notify the President in order to be granted an excused absence.

9. If a partner is delinquent in paying dues for three (3) consecutive months, or misses four (4) consecutive meetings, or has more than three (3) unexcused absences in a calendar year, he/she shall be subject to have his/her units liquidated by a 2/3rds vote of the partners attending any meeting.
10. Club expenses will be distributed on a proportional basis according to the size of each partner's capital account.

Operations:

1. Meetings:

- Regular meetings shall be held the second (2nd) Monday of each month beginning at 6:30 p.m. at a location announced in advance of the meeting.
- Special meetings may be called by any Officer upon five business days notice to the Partnership, or by majority vote of the partners present at any general Club meeting.
- A quorum necessary to conduct any business at a general meeting shall be the number of partners in attendance with at least one being an Officer.
- The Secretary will email copies of minutes of Club meetings to all Club partners, the President of the Central Pennsylvania Chapter of BetterInvesting, and the President of the Learn and Earn Model Investment Club. Other requests for minutes will be considered by the Club on a case-by-case basis.

2. Valuation Date and Time:

- The valuation of the Partnership will be determined following the close of the U.S. stock markets on the last day of the month.

3. Voting: The right to vote is limited to Primary and Associate Partners.

- Approved methods of voting are VERBAL, SIMPLE MAJORITY, WRITTEN BALLOT, WEIGHTED BALLOT, and PROXY. However, in the absence of a formal motion to conduct a given vote in another manner, all votes shall be carried by a simple majority of votes cast unless otherwise stated within the Partnership Agreement or Operating Procedures.
- During meetings, the secret ballot method shall be used in all instances where membership and financial matters are acted upon.
- The above notwithstanding, any Partner may request that any given vote be re-tallied on a weighted basis so that the value of a respective Partner's vote is in direct proportion to the value of his/her capital account measured against the aggregate value of all capital accounts comprising the asset base of the Partnership, as established in the most recent official valuation statement duly prepared and presented by the Treasurer. Approval of such a request may not be unreasonably withheld; however, said request must be made during the meeting at which the vote in question has taken place.
- The above notwithstanding, the general method of voting the BUY of two or more stock proposals at any one meeting is by the point system ballot. Based on the number of proposals, each Partner assigns the highest number to the most preferred stock and then gives each remaining stock one less point, with the least preferred stock receiving one point. For example: If three stocks are purposed for purchase a partner assigns three (3) points to the most favored stock, two (2) points to the second favored, and one (1) point to the least favored. The stock Buy proposal with the highest point total is voted on first followed by the next highest number of votes, et cetera.
- If a Partner is unable to attend a meeting, said Partner may submit a written proxy to another partner prior to the meeting (allowable via email). A Partner may cast no more than two proxy votes on any proposal.

4. Operation:

- Each month a partner or partners shall present one or more new stocks to the Club. These stocks may be the “Stock to Study” or the “Undervalued Featured Company” from the *BetterInvesting Magazine* or a company/stock recommended by a partner. The presentation shall include information from the Stock Selection Guide, as well as other written information the partner can provide.
- Partners will discuss any stocks proposed as well as any stocks the Club currently owns. After such discussion, partners may propose to sell a stock the Club owns or buy any of the stocks. If a stock is proposed for purchase, it must have been studied by the partners as a Stock to Study at a monthly meeting. If not, it will be tabled until the next meeting to give all partners an opportunity to study the stock before a vote.
- An education program will be presented at the monthly meeting. Every partner is expected to present a program. The Vice-President coordinates these programs.

Amendments:

1. The **OPERATING PROCEDURES** may be amended by a majority vote of the Primary partners at any meeting with the exception of the vote for changing the monthly dues as is stated in #6 of the Membership section.