

PROPOSED BYLAWS **CHANGES** OF ASSOCIATED LOCKSMITHS OF AMERICA, INC.




Dear ALOA Members:

As outlined in my Presidential Viewpoint this month, the Associated Locksmiths of America, Inc. (ALOA) Bylaws, Article X, designate that these Bylaws may be altered, amended or repealed, and new Bylaws may be adopted, by a majority of the directors present at any regular meeting or at any special meeting, provided that at least 15 days written notice is given of the intention to alter, amend or repeal, or to adopt new Bylaws at such meeting and, provided further, that any such alteration, amendment, repeal or adoption is approved at a subsequent meeting of the voting members, who shall be given at least 30 days prior written notice of such proposed alteration, amendment or repeal.

The Bylaws allow voting by proxy, a procedure that will allow all members to participate in the ratification of the proposed Bylaw changes. A proxy allows you to authorize someone to vote for you at a meeting. As president, I have called a special membership meeting on March 5 at 10 am CST at ALOA Headquarters, 3500 Easy Street, Dallas, Texas. The purpose of this meeting is to ratify the proposed Bylaw changes. The ballot is in the form of a proxy, prepared for you to give specific instruction to the holder of the proxy. This will ensure that your vote is counted exactly as you desire. You must provide your name, member number and date, and you must sign the form. Failure to properly complete the proxy may result in your ballot being invalid.

Please vote by mail or fax the proxy as soon as possible. In order for your vote to count, the holder of your proxy, as designated, must be present at the meeting and have the properly completed proxy with him/her. This means your ballot must be received no later than 11:59 pm CST on March 4. You do not have to designate Mary May as your proxy. You may give your proxy to anyone else, but they must attend the special membership meeting on March 5 with your signed and dated proxy in hand.

Please participate in your Association. Your ballot is on page 26. Please refer to pages 22-25 for the current Bylaws of ALOA.

Sincerely,


Hans Mejshede, CML
President

Proposed Bylaws Change #1

Article III, Section 1. Classes of Members:

Currently reads:

"Section 1. Classes of Members. The corporation shall have eight classes of membership: Active, Probationary, Retired, Life, Allied, Associate, Honorary and Company."

Changed to read:

"Section 1. Classes of Members. The corporation shall have nine classes of membership: Active, Probationary, Retired, Life, Allied, Associate, Honorary, International Association and Company."

Adds new class of membership: International Association.

Proposed Bylaws Change #2

Article III, Section 1(a). Active Members:

Currently reads:

"Active Members. Persons who have been actively engaged in the locksmith/access control industry for a minimum of two years, have achieved one of ALOA's recognized program designations and can provide at least two of the following items:

1. Character reference from a member of the corporation or a local locksmith association;
2. Character reference from two locksmith/access control industry related sources;
3. Proof of employment in the locksmith/access control industry."

Changed to read:

"Active Members. Persons who have been actively engaged in the locksmith/access control industry for a minimum of two years, have achieved one of ALOA's recognized program designations and ~~can~~ can provide at least two of the following items:

1. Character reference from a member of the corporation or a local locksmith association;
2. Character reference from two locksmith/access control industry related sources;
3. Proof of employment in the locksmith/access control industry."

This change requires that Active members provide all three items when in the past it was two of the three items.

Proposed Bylaws Change #3

Article III, Section 1(e). Allied Members:

Currently reads:

"Allied Members. Persons who have a position in the locksmith/access control industry that relates

to locksmiths, meet requirements 1 and 3 of Active membership, and can qualify for no other class of membership."

Changed to read:

"Allied Members. Persons who have a position in the locksmith/access control industry that relates to locksmiths, act in the best interest of the industry, be subject to the corporation's Code of Ethics and meet the following requirements:

Provide character reference from a member of the corporation or local locksmith association

Provide proof of employment in the locksmith/access control industry

Can qualify for no other class of membership.

Membership and renewal shall be approved as determined by the Board of Directors."

This change brings Allied members under the same Code of Ethics as Active members. Membership and renewal approval is now determined by the Board of Directors.

Proposed Change #4

Article III, Section 1(f). Associate Members:

Currently reads:

"Associate Members. Firms that manufacture or distribute material or equipment, or provide services, for the locksmith/access control industry."

Changed to read:

"Associate Members. Firms that manufacture or distribute material or equipment, or provide services, for the locksmith/access control industry. Associate members shall act in the best interest of the industry and be subject to the corporation's Code of Ethics. Membership and renewal shall be approved as determined by the Board of Directors."

This change brings Associate members under the same Code of Ethics as Active members. Membership and renewal approval is now determined by the Board of Directors.

Proposed Bylaws Change #5

Article III, Section 1(i). International Association:

This sub-section does not currently exist.

Added to read:

"i. International Association. Organizations with ten or more members incorporated within and/or nationally recognized in any country other than the United States whose members are actively involved in the locksmith/access control industry. Membership and renewal shall be approved as determined by the ALOA Board of Directors. At least one member of the organization must be an Active member."

This addition allows international organizations to join ALOA and requires that one of its members be an Active member. Method of membership approval is determined by the Board of Directors.

Proposed Bylaws Change #6

Article III, Section 2. Eligibility: Admission of Members:

Currently reads:

"No person shall be eligible for membership if he or she has been convicted of any crime involving fraud, dishonesty or breach of trust. Applicants for all classes of membership (other than Life and Honorary membership) shall be admitted to membership upon the full and accurate completion of a membership application, certification by the applicant that he, she or it meets the relevant membership criteria and payment of applicable dues."

Changed to read:

"No person shall be eligible for membership if he or she has been convicted of any crime involving fraud, dishonesty or breach of trust; for using professional skills, training, or expertise in a manner that compromises the safety or security of customers or the general public; for deceptive or false advertising; for conducting business in a deceptive manner; failure to be licensed or registered in a state with such requirement; or for any violation of these Bylaws, the corporation's Code of Ethics or any rule of the corporation.

Applicants for all classes of membership (other than Life and Honorary membership) shall be admitted to membership upon the full and accurate completion of a membership application, certification by the applicant that he, she or it meets the relevant membership criteria and payment of applicable dues."

This change expands approval of membership to coincide with the same criteria as termination of membership in Section 6 of the Bylaws.

Proposed Bylaws Change #7

Article III, Section 4. Rights of Members:

Currently reads:

"Only Active, Probationary, Retired, Life, Associate and Company members shall have the right to vote, and each such member shall be entitled to one vote on each matter submitted to a vote of members. Only Life members and persons who have been Active members or Associate member representatives for the prior three years are eligible to serve as Officers and Voting Directors of the corporation. An Associate member shall notify the Secretary of its employee who shall be its designated representative to vote on behalf of the Associate member and be eligible to serve as an Officer or Director. A Company member shall notify the Secretary of its Active member employee who shall be its designated representative to vote on behalf of the Company member and be eligible to serve as an Officer or Director. Other employees of a company are not eligible to vote or serve as an Office or Director unless they hold individual voting memberships. All voting members and designated Associate and Company

member representatives are eligible to serve as Non-voting Directors.”

Changed to read:

“Only Active, Probationary, Retired, Life, Associate, Company and International Association members shall have the right to vote, and each such member shall be entitled to one vote on each matter submitted to a vote of members. Only Life members and persons who have been Active members or Associate member representatives for the prior three years are eligible to serve as Officers and Voting Directors of the corporation. An Associate member shall notify the Secretary of its employee who shall be its designated representative to vote on behalf of the Associate member and be eligible to serve as an Officer or Director. A Company member shall notify the Secretary of its Active member employee who shall be its designated representative to vote on behalf of the Company member and be eligible to serve as an Officer or Director. Other employees of a company are not eligible to vote or serve as an Office or Director unless they hold individual voting memberships. All voting members and designated Associate and Company member representatives are eligible to serve as Non-voting Directors.

An International Association member shall notify the ALOA Secretary of its Active member who shall be its designated representative to vote on behalf of the International Association member and be eligible to serve as an Officer or Director. Other members of the International Association are not eligible to vote or serve as an ALOA Officer or Director unless they hold individual Active memberships.”

This addition sets forth the rights of International Association members. They are allowed one designated voting member, who must be an Active member of the organization. That designee is also eligible to be elected as an Officer or Director of the organization. Active ALOA members of the International Association have the same voting rights as set forth in the first sentence of the current section.

Proposed Change #8

Article III, Section 6. Termination of Membership:

Currently reads:

“Membership in the corporation shall automatically terminate whenever a member is ninety (90) days in default of any dues, assessments or other financial obligations to the corporation. Membership in the corporation may be terminated by action of the Board of Directors for conduct deemed detrimental to the corporation; for conviction of any crime involving fraud, dishonesty or breach of trust; or for violation of these Bylaws, the corporation’s Code of Ethics or any rule of the corporation. Termination by action of the Board of Directors shall be by at least a two-thirds vote at a meeting of the Board of Directors; provided, however, that prior to any such action, the member involved shall be given due notice and shall be entitled to a hearing before the Board of Directors. Any member who is terminated by the Board has the right to appeal the decision to the membership at the annual membership meeting. Such an appeal must be made in person, or by

representative, and the corporation must be provided with a written notice of the intent to appeal that must be received no less than 30 days prior to the annual membership meeting. Termination of membership shall not relieve a member of any outstanding obligation to the corporation.”

Changed to read:

“Membership in the corporation shall automatically terminate whenever a member is ninety (90) days in default of any dues, assessments or other financial obligations to the corporation. Membership in the corporation may be terminated by action of the Board of Directors for conduct deemed detrimental to the corporation; for conviction of any crime involving fraud, dishonesty or breach of trust; for using professional skills, training or expertise in a manner that compromises the safety or security of customers or the general public; for deceptive or false advertising; for conducting business in a deceptive manner; for failure to be licensed or registered in a state with such requirement; or for violation of these Bylaws, the corporation’s Code of Ethics or any rule of the corporation. Termination by action of the Board of Directors shall be by at least a two-thirds vote at a meeting of the Board of Directors; provided, however, that prior to any such action, the member involved shall be given due notice and shall be entitled to a hearing before the Board of Directors. Any member who is terminated by the Board has the right to appeal the decision to the membership at the annual membership meeting. Such an appeal must be made in person, or by representative, and the corporation must be provided with a written notice of the intent to appeal that must be received no less than 30 days prior to the annual membership meeting. Termination of membership shall not relieve a member of any outstanding obligation to the corporation.”

This change incorporates the general principles of the Code of Ethics into concrete actions that can be used as basis for terminating membership.

Proposed Bylaws Change #9

Article III, Section 7. Reinstatement:

Currently reads:

“A former member terminated by reason of default in the payment of dues, assessments or other financial obligations to the corporation may be reinstated by showing proof of qualification and paying all moneys due and owing to the corporation.”

Changed to read:

“A former member terminated by reason of default in the payment of dues, assessments or other financial obligations to the corporation may be reinstated by showing proof of qualification as set forth in Article III and paying all moneys due and owing to the corporation.”

This change brings the reinstatement of membership in line with admission of new members.