

**CONSTITUTION and BYLAWS**  
**ASSOCIATED REPORTING COMPANIES**  
**ESTABLISHED MARCH 9, 1967**

[ALL GENDER REFERENCES TO HE, HIM, HIS, ETC. SHALL BE CONSTRUED TO ALSO MEAN SHE, HER, HERS, ETC.]

**ARTICLE I**  
**NAME**

Section 1. The name of the association shall be the Associated Reporting Companies, identified by the tradename, "ARCO".

Section 2. The association shall be a non-profit association.

**ARTICLE II**  
**PURPOSES AND OBJECTIVES**

Section 1. To ~~formulate and enforce~~ represent and encourage a standard of ethics performance which will enhance the dignity and prestige of the profession.

Section 2. ~~To compete effectively on a nationwide basis with the national firms in this field.~~  
(Deleted by Amendment, May 1995)

Section 3. ~~To provide prompt and uniform service on a national basis to a mutual clientele.~~  
(Deleted by Amendment, May 1995)

Section 4. To promote and encourage a mutual exchange of problems and ideas.

Section 5. To explore ways and means whereby economy and influence in the industry may be improved through united action.

*[Amendments and deletions above voted May, 1995]*

**ARTICLE III**  
**MEMBERSHIP**

Section 1. ~~Eligibility for membership shall be limited to independent inspection and reporting companies, not national in scope, engaged in activities such as insurance reporting, personnel selection reporting, and related fields, and who have been in business at least six months.~~

*[Amended May, 1998 to read:]* Eligibility for membership shall be open to companies engaged in activities such as property or casualty inspections, motor vehicle record acquisitions, personnel industry reporting, mortgage reporting, premium auditing\*, and other information gathering firms that have been in business for at least one year.

\* - added May, 1998

Section 2. ~~There shall be two classifications of members, "Active" and "Associate". Active members shall be those who have participated in the forming of this association as Charter Members and those whose applications for membership have been approved and who shall have been Associate members for a period of one year. Associate members shall be those whose applications for membership have been approved and who shall then serve for one year before becoming eligible for Active membership. (Deleted by Amendment, March 1967)~~

*[Amended March, 1967 to add:]*

(a) Applications received later than March 10, 1967 will not be eligible for Charter Membership.

Section 3. *[Amended May, 2004]* Applications for membership must be made in writing, and the approved application form of the association must be completed fully. Such application must be accompanied by the entrance fee as specified in the Bylaws. ~~Such fee shall be refunded if the application is rejected.~~

Section 4. Membership shall not be transferable. A change of ownership wherein no original principal remains shall require a new application for membership, to be processed in accordance with section 2 and 3 of this article.

Section 5. A copy of this Constitution and Bylaws, together with amendments which may hereafter become a part of this document, shall be made available to all members of the association.

Section 6. Members in good standing may use the association name, symbol and emblem on their stationery, reporting forms and business cards. Upon termination of membership for any reason, such terminated member shall immediately desist from further use of any association identification.

*[Amended March, 1967 to add:]* (a) Applicants for membership must be registered and licensed in accordance with their state law, and new applications for membership shall be circulated among existing members for review and comment, with a thirty (30) day waiting period before the Membership Committee acts upon the application. *[Deleted May 2004:]* ~~Eligible applicants must operate from a physical office location and retain files.~~

*[Amended May, 1998 to add:]* (b) Procedure for election of applicants to membership in the Associated Reporting Companies, shall be as follows:

1. Application must be received in a complete form on an approved ARCO application form.
2. Applications must be accompanied by a check in the amount of the application fees.
3. Application shall be processed by the appointed Membership Committee Chairman.
4. Names of applicant companies and their Principals shall be published at least once, for the consideration of the membership.
5. Members may respond to the Membership Committee Chairman within thirty (30) calendar days following this publication, to express their objection to any applicant.

6. Where no objection is filed within the thirty (30) day period, applicant(s) shall be declared to have been elected to Association membership and shall be so notified.

(c) Procedure in the event of objection to membership, presented by one or more active members, shall be as follows:

1. In the event of a single objection to any applicant, the President may, at his sole discretion review the objection and may elect to disregard it, proceeding as in subsection (b), item 6.
2. In the event of objection by two (2) or more current members in good standing, or where an objections is not disregarded, and where the objection(s) is not withdrawn, the President shall be required to disclose the objection(s) to the current members and must present the applicant(s) for the vote of the members.
3. Votes may be accepted by the President by mail, e-mail, facsimile (fax) or voice (telephone) or such other means as the President may find acceptable.
4. Election to membership, where objection exists, shall be by a simple plurality of the votes cast.

#### **ARTICLE IV VOTING POWER**

Section 1. ~~Each member organization shall be entitled to one vote, regardless of size or scope of such member firm or the number of principals in representation at any meeting.~~

*[Amended April, 1987 to read:]* Each member organization shall be entitled to one vote regardless of the size or scope or number of branch offices or the principals present at any meeting.

Section 2. *[Added by amendment April, 1987]* In the event there exists a member company that is a subsidiary or parent and maintains a controlling interest in another member, only one of such member companies shall have the privilege to cast the vote.

#### **ARTICLE V ANNUAL MEETING**

Section 1. An annual business meeting shall be held during the first six months of the year, at a time and place to be decided by the ~~incumbent President~~ members in the prescribed manner, at which time, in alternating years, officers shall be elected to serve for the ensuing two-year term.

*[As amended February, 1971 and May, 1998]*

Section 2. *[Amended May, 1998 to read:]* The Annual Meeting shall be held in ~~the city wherein is located the principal office of the President unless another site shall be designated by him as preferable in the best interests of the Association~~ a location selected by vote of the members present at the preceding Annual Meeting ~~*[Amended April, 1998 to include:]* except that meetings shall be held, on a rotating basis, at sites in the Eastern, Midwestern and Western United States.~~  
*[Deleted by Amendment May, 2004]*

Section 3. Special meetings may be called by unanimous agreement of the elective officers or by written request of a majority of active members. Written notice to all members, stating the purpose of such special meeting, shall be required at least thirty days prior to such meeting.

## **ARTICLE VI QUORUM**

Section 1. A quorum shall consist of not less than ~~thirty percent (30%)~~ *[Amended May 2004 to read:]* twenty percent (20%) of the membership, to include Active and Associate members. No business may be transacted unless a quorum is present or represented by their signed proxy.

## **ARTICLE VII OFFICERS**

Section 1. ~~The officers of the association shall consist of a President, Vice President and a Treasurer and Secretary.~~

*[Amended May 2006 to read:]* The officers of the association shall consist of a President, Vice President, and a Secretary-Treasurer.

Section 2. ~~The term of an officer shall be for one year.~~

*[Amended May, 1998 and May, 2006:]* The term of an officer, ~~except the Treasurer,~~ shall be for two (2) years. ~~The term of the treasurer shall be for five (5) years.~~

Section 3. An officer must be an active member.

*[Added by amendment May, 2004:]*

Section 4. The Association may employ an Executive Director to conduct business of the Association as directed by the Bylaws and the Officers.

## **ARTICLE IIX FUNDS**

Section 1. Funds of the association shall be used for the objects and purposes of the association in a manner to be determined by the elected officers and as may be decided by vote at the annual business meetings. *[Amended April, 2001 to include:]* The expenditure of treasury funds for Annual Meeting expenses shall be limited to the Meeting Registration Fees collected, plus not more than one-third of funds currently in the association's treasury.

Section 2. The books of the association shall be subject to review by the members at the annual business meetings. An outside audit of such books may be held upon motion made and carried by a majority vote of members present at any such meeting, cost of such audit to be paid from the funds of the association.

Section 3. *[Added March , 1967, revised May, 1998, Amended May, 2004:]* The Administrative Office location and address of the association shall be that of the ~~incumbent Treasurer~~ Executive Director. The association shall spend no funds, unless otherwise approved, for rents or salaried employees. *[Amended May, 2004 to add:]* except that the Association may contract with and pay an Executive Director to handle specified business affairs of the Association.

Section 4. *[Added by amendment March, 1967; Content amended April, 2001]* The association shall not expend ~~sizable sums~~ funds for national sales or national advertising without a vote of the membership, other than the publication and distribution of the Directory of Members; national sales shall be in the form of efforts by each member, ~~in his own area~~, to keep the name and objectives of the association before the industry.

## **ARTICLE IX AMENDMENTS**

Section 1. *[Amended April, 2001]* Amendments to this Constitution or to the Bylaws of the association shall require a two-thirds vote of members present at annual business meetings. Such motions to amend must be submitted in writing, to the President, and notice of the day and time of such meeting, when they are considered, shall be mailed to each member at least thirty days prior to the date set for such meeting.

Section 2. *[Added by amendment, April 2001]* No amendment to the Constitution or Bylaws of the association shall be adopted until the language of the amendment has been recorded in written form, and presented to the Secretary for proper recording thereof.

*[Repealed April, 2001] ~~{Introduced to membership at 1993 Annual Meeting; Adopted by vote at 1994 Annual Meeting}~~—Amendments to this Constitution shall require a two thirds vote of the members present at the annual business meeting.*

**BYLAWS  
of the  
ASSOCIATED REPORTING COMPANIES**

[ALL GENDER REFERENCES TO HE, HIM, HIS, ETC. SHALL ALSO BE CONSTRUED TO MEAN SHE, HER, HERS, ETC.]

**ARTICLE I  
MEMBERSHIP - DUES**

Section 1. ~~Dues shall be fifty dollars per year, per member organization, and shall be due and payable by January 15<sup>th</sup>.~~

*[Amended 1968, and May, 1998 to read:]* Dues shall be ~~one hundred~~ one hundred-fifty dollars (\$150.00) per year, per member organization, and shall be payable by January 31st, after which date they shall be delinquent.

Section 2. *[Amended May 2004]* Entrance fee for Charter Members shall be seventy-five dollars. Entrance fee for new members other than Charter Members, shall be fifty dollars, and such fee is to accompany each application for membership. ~~Entrance fee shall be refunded to any applicant if such application for membership is rejected.~~

Section 3. There shall be no difference in the amount of the entrance fee for membership other than as designated in Section 2 above.

Section 4. ~~Cancellation~~ *[Amended May, 1995 to "SUSPENSION"]* Suspension of membership standing shall be automatic if dues become more than ninety days delinquent. *[Amended May, 1998 to add:]* Cancellation of membership shall be automatic where dues become delinquent by more than six (6) months (July 31<sup>st</sup>).

Section 5. A member may terminate his membership at any time, but no refund of dues paid for the current year shall be made in the event of voluntary termination. Should a member be expelled from the association, the unused portion of his annual dues are to be refunded to him.

Section 6. A member may be expelled for having made false statements on his application form.

Section 7. A member may be censured or expelled if a charge of practices injurious or detrimental to the interests of the association be proven. Such complaint must be made in writing over the signature of an active member, and shall be investigated by a special committee appointed by the President. Upon the recommendations of this committee, the President may call for a vote of censure or expulsion. Such vote must be taken by the membership, by written ballot, with a majority vote of those voting being necessary. The accused shall have at least thirty days to reply to such charges before any committee recommendation may be made, and a full report of the charges, defense, and committee recommendations shall be submitted to each member at the time he is called upon to ballot. The results of the ballot shall be relayed to the accused by the Secretary. Only such charges as are presented in writing, signed by an active member in good standing, shall be given consideration.

*[Amended May, 1998 to add:]* (a) It shall be the duty of all members to avoid disputes and conflicts with other members of the association through the use of practical business procedures and communications, and advance arrangements and agreements where an exchange of services is at issue. Where a disagreement exists between two or more members, this shall not, of itself, be regarded as detrimental or injurious to the Association, and the Association shall have no duty to become involved in such a dispute.

~~Section 8. A member company will be expelled if they are not actively represented at two consecutive annual meetings of the association, effective with the May, 1975 meeting. In the event the member company can prove that attendance would have created grave hardship, on the second year of absenteeism, the active members may waive expulsion by unanimous vote.~~

*[Repealed May, 1991]*

*[Deleted by Amendment May, 2004]* ~~Section 9. *[Added by amendment April, 1987; modified May, 1995]*~~

~~(a) Any past member individual of the ARCO organization association who remains in good standing, shall be retained on the mailing list as long as they pay their dues.~~

*[Amended to change from (b) to (a), May 2004]*

(a) Any past member of the ~~organization~~ association shall may be notified of any convention or meeting, and their presence would be welcome and appreciated.

*[Amended for phrasing May, 1995]*

## ARTICLE II OFFICERS

Section 1. The President shall preside at all meetings of the association and shall enforce its rules and regulations.

Section 2. The President shall appoint chairmen and members of all Standing and Special Committees to serve during his year in office. He shall be an ex-officio member of all committees.

Section 3. Should a vacancy occur in the office of Secretary- ~~or~~ Treasurer, the President shall have the power to appoint an acting officer to fill such position for the remainder of the year.

Section 4. The Vice President shall serve as chief assistant to the President, and in his absence shall preside at meetings and otherwise serve and assist him in the manner which he may prescribe.

Section 5. *[Amended May 2004]* In the event the President's chair is vacated, the Vice President shall assume all of the President's powers and duties for the remainder of the term. ~~and the office of Vice President shall remain vacant until the time of the next annual meeting and election of officers.~~

Section 6. *[Amended April, 2001 and May 2006 to read:]* The Secretary-Treasurer shall maintain an accurate record of the minutes of all meetings of the association including all amendments to the Constitution or Bylaws of the association, and shall cause a copy of such to be sent to each member within sixty (60) days following conclusion of any Annual or Special Meeting. He shall record reports from committees and shall prepare and distribute all letters, official reports and other communications.

Section 7. *[Amended May, 2004 and May 2006]* The ~~Treasurer~~ Executive Secretary Director shall keep all financial records of the association, receive all funds and deposit them in a bank approved by the elected officers. The Executive Secretary shall prepare reports to be read by the Secretary-Treasurer at the annual business meeting and shall prepare whatever interim reports the President may deem necessary to keep the membership informed. He shall may be bonded and the expense of such bond shall be paid by the association.

~~*[Amended May, 1995]* The Treasurer shall countersign all checks written by the Association.~~

Section 8. *[Amended May, 2005 and May 2006]* The Secretary-Treasurer's bank signature card shall bear the signatures of the Secretary-Treasurer and the Executive Secretary and may also bear the signatures of other elected officers for emergency use. ~~but only one signature Two signatures shall be necessary on checks written against association funds.~~

Section 9. *[Added by amendment March, 1967]* All officers and committeemen shall serve without pay until such time as these bylaws are amended to provide for payment for services.

- (a) Officers and committeemen shall be reimbursed for incidental items of expense incurred on behalf of the association such as stenographic expense, stationery and supplies and telephone tolls. No travel expense is authorized at this time.

### **ARTICLE III COMMITTEES**

Section 1. *[Amended April, 2001 to read:]* There shall be permanent Standing Committees for the following: MEMBERSHIP; ETHICS; POLICY & PROCEDURE; PUBLICITY, MEMBERSHIP DIRECTORY and ARCO WEB SITE.. Additional special committees shall be established in accordance with the direction of the President.

Section 2. On all committees, the President, in addition to his vote as an ex-officio member, shall have the power of an additional vote to break a tie in the committee.

Section 3. ~~A uniform system of inter-bureau billing and transferring between members shall be developed by the Policy & Procedure Committee. *[Repealed May, 1991]*~~

**ARTICLE IV**  
**AMENDMENTS**

Section 1. Bylaws may be amended under the same rules which govern amendments to the Constitution, and in accordance with ARTICLE IX of the Constitution.