

BYLAWS
CALIFORNIA ASSOCIATION OF BUSINESS BROKERS
Restated September 13, 2023

ARTICLE I
General

Section 1.01 Name.

The name of this corporation shall be the California Association of Business Brokers (hereinafter referred to as “the Association”), which also uses the acronym “CABB”.

Section 1.02 Offices.

The principal office of the Association shall be designated by the Board of Directors (hereinafter referred to as “the Board”). Branch and subordinate offices may be established at such other locations as may be determined from time to time by the Board.

Section 1.03 Fiscal Year.

The fiscal year of the Association shall begin on January 1 and end on December 31 of each year.

ARTICLE II
Mission

Section 2.01 Mission.

The Association’s mission is to:

- a. Unite those engaged in the sale of California businesses for the purpose of developing the highest standards of ethics and professionalism.
- b. Improve the educational standards of the Business Brokerage industry.
- c. Better serve the business community by creating a broader and more active market for business sales.
- d. Serve as a forum for California business brokers to share their experiences and knowledge.
- e. Encourage members to adhere to a code of ethics set forth by the Association.

ARTICLE III
Membership

Section 3.01 Classes of Membership.

The Association shall have two classes of members as follows: (1) Broker Members and (2) Affiliate Members.

Section 3.02 Broker Members.

Broker Members (both Corporate and Individual) have the right to vote on any matter authorized by the Bylaws.

Section 3.03 Qualifications of Broker Members.

- a. Any licensed person accepted as a Broker Member must successfully complete the course CABB 101 within 9 months of becoming a member. Members may apply for an exemption from taking CABB 101 if they can provide either of the following:
 - (1) Certification Track: (a) Proof of CBI or M&AMI certification from the IBBA or M&A Source, and
 - (b) written recommendations from two current CABB members regarding their business brokerage experience and competency in same.
- (2) Experience Track: (a) Have at least 3 years of full-time business brokerage experience, (b) Proof of having brokered at least 3 business sales transactions in California (does not include real estate transactions), and (c) written recommendations from two current CABB members regarding their business brokerage experience and competency in same.
- b. Failure to successfully complete the CABB 101 course (or be approved for an exemption) within 9 months will result in a suspension of all membership privileges until such time as the course is successfully completed or the exemption approved.
- c. All Broker Members must maintain a valid and current license issued by California Department of Real Estate (DRE). Any Broker Member whose DRE license no longer states "LICENSED" will result in a suspension of all membership privileges until such time as their DRE "LICENSED" status is restored.

Section 3.04 Affiliate Members.

Affiliate Members (both Corporate and Individual) have the right to vote on any matter authorized by the Bylaws.

Section 3.05 Qualifications of Affiliate Members.

Any business or individual actively engaged in providing a service to broker members or their clients may be admitted to membership as an affiliate member.

Section 3.06 Admission.

- a. Application for membership in any category shall be made in writing in a manner prescribed by the Board. The applicant shall attest that they have read (1) the Association Bylaws, (2) the Code of Ethics, and (3) any Terms of Service in effect at that time, and agree to abide by all of them, as applicable.
- b. Broker Member applicants must have their eligibility approved by the Director of Membership to be admitted. Applicants who are deemed ineligible for membership may appeal their denial to the Board, whose decision shall be final.
- c. Affiliate Member applicants shall be deemed eligible for membership upon payment of all fees and dues.

Section 3.07 Fees, Dues and Assessments.

- a. Membership application fees and annual dues shall be determined from time to time by the Board. The Membership application fee shall be submitted at time of application and will be refunded in full if the applicant is not accepted into membership.
- b. Annual dues shall be payable in full no later than December 31 of the year immediately prior to which the dues are applicable.

Section 3.08 Recognition of Membership.

The Board may authorize the conferring of certificates, badges or plaques upon members of the Association to acknowledge active membership.

Section 3.09 Number of members.

There shall be no limit on the number of Broker Members the Association shall admit. The number of Affiliate Members shall not exceed the number of Broker Members.

Section 3.10 Membership Database.

The Association shall keep current a database containing the names and contact information of all members. The database shall be confidential and not be used for any purpose of commercial solicitation by Members or others. Members may opt out from having their contact information on the Association website.

Section 3.11 Non-Liability of Members.

No Member shall be personally liable for the debts, liabilities or obligations of the Association.

Section 3.12 Termination and Reinstatement of Membership.

- a. Any Member who fails to pay dues when they become due or within 30 days thereafter shall be automatically suspended at the end of such 30-day period.
- b. Members may have their membership terminated by a 2/3 vote of the Board for any reason deemed so by the Board. Prior to such a vote, that Member shall be given at minimum 30 days' notice of the proposed termination along with the reasons therefore and shall be given the opportunity to respond to the Board in writing prior to such a vote.
- c. Members who willfully violate the Code of Ethics or Rules and Regulations of the Association may have their membership terminated by a majority vote of the Board.
- d. Any Member who has been previously terminated must apply for reinstatement by the Board, whose decision is final. The Board, at its option, may also impose fees and other requirements for reinstatement.

Section 3.13 Suspension.

Members of this Association may be censured or suspended for a period not to exceed 60 days, for any reason deemed so by the Board, by a 2/3 vote of the Board. Members shall be given 30 days' notice of the proceedings.

ARTICLE IV

Meetings of the Members

Section 4.01 Annual Meetings.

The Associations shall hold an Annual Meetings of the Members during the Annual Conference within the State of California during the year as determined by the President, in consultation with the Board.

Section 4.02 Special Meetings.

Special Meetings of the Members may be held upon either: a) a majority vote of the Board; or b) upon a petition by at least 10 percent of the Broker Members, within which each name and signatory shall attest their unequivocal demand for a meeting on a date and location certain.

Section 4.03 Notice.

Notice to the Members shall be given at least 30 days prior to the date of any Member meeting.

Section 4.04 Agenda and Voting.

- a. Items may be placed on the agenda of any meeting of the members by: 1) The Board of Directors; or (2) by Petition of at least ten (10) active Members, either of which require 30 days' notice to the Membership. Any matter may be placed on the agenda for discussion. If an action is sought which requires a vote of the Members, that matter shall be within the scope of those matters permitted under the California Corporations Code, and the text of any such proposal or motion published at least 15 days prior to the meeting.
- b. At any meeting of the Members, each Broker and Affiliate member in good standing is entitled to one vote. Voting shall be by in-person ballot unless the Board prescribes an electronic ballot or proxy system.

Section 4.05 Quorum and Conduct of Meeting.

At least 10 percent of the Members shall constitute a quorum at any Member meeting. Members meetings shall be presided over by the President or the next officer in succession, and in accordance with Section 10.01.

ARTICLE V

Board of Directors

Section 5.01 Number.

The Board of Directors ("Board") shall have twelve members and no more than three members of the Board may be Affiliate Members.

Section 5.02 Powers.

The Board shall exercise the powers of the Association, control its property, and conduct its business affairs, in accordance with the California Corporations Code and other laws and regulations as applicable, and these Bylaws.

Section 5.03 Duties.

The Board shall act in the best interests of the Association, its mission, and its Members, consistent with the fiduciary duties imposed upon it by the California Corporations Code. Directors of the Board are expected to chair Association committees or special projects as appointed by the President.

Section 5.04 Qualifications.

Any Broker or Affiliate Member, having been a member of the Association for the most recent two years prior to the election and current with dues is qualified to be elected as a Director, except as noted below in Section 6.03 under qualifications for President, and as provided by these Bylaws.

- No more than one Board member may be associated with the same brokerage firm.
- No more than four Board members may be associated with the same franchise system or associated offices. "Associated offices" include offices and/or firms that may be independently owned but operating pursuant to a licensing or shared identity agreement.

Section 5.05 Terms of Office.

Each Broker Member of the board shall hold office for two years after the annual election and until his or her successor is elected and qualifies for the period of January 1 to December 31, Broker Members of the Board shall be limited to 3 consecutive 2-year terms. Affiliate Members of the Board are limited to a single 3-year term. The president-elect shall serve for a term of two (2) years as president-elect, two (2) years as president, and two (2) years as immediate past president. Any Board member who is termed out must wait at least 2 years after coming off the Board to serve again.

Section 5.06 Nominating Committee.

On or before August 1 of each year, a Nominating Committee of not less than three members shall be appointed by the Immediate Past President, who shall be the ex-officio chair. At least one of the Committee members shall not have served on this Committee in the prior year. Committee members shall not be eligible for nomination to the Board in the year they serve on the Committee. The Nominating Committee shall nominate no less than the number of candidates as the number of Directors whose terms expire in the coming year. The Committee shall report all eligible nominees to the Board on or before the scheduled September board meeting. Candidates will be announced to membership, and electronic voting will take place over a 21-day period. Election results will be published to membership no later than November 1 of each year.

Section 5.07. Nominations by Members.

In addition to the nominees of the Committee, any Member may be nominated for election to the Board upon a petition of at least 5 other Members, whose name and signature shall be within the petition containing the name of a single nominee. Any such petition shall be submitted to the Board by September 1 of each year for verification of the signatories and eligibility of the nominee.

Section 5.08 Election.

Directors shall be elected by electronic ballots which are sent to each Member via email. The highest number of votes shall determine election to the Board. Ballots must be received prior to the deadline for voting which shall be published and noticed with the announcement of the elected directors no later than November 1.

Section 5.09 Compensation.

Directors shall not be compensated for their services as a Director but may receive reimbursement for out of pocket actual and necessary expenses connected with their duties as Directors, as approved by the President and Treasurer.

Section 5.10 Quorum.

A quorum for official actions of the Board shall consist of half plus one of the filled directors' seats.

Section 5.11 Board Meetings.

- a. At least six meetings shall be held each year at a place or manner designated by the Board.
- b. Special meetings may be called by either the President or any 3 or Directors.
- c. Notice by mail or electronic media shall be given to all members at least 7 days prior to any meeting.
- d. Meetings may be held through telephone or video conferencing.
- e. Meetings shall be presided over by the President or next ranking officer, and minutes shall be taken by the Secretary or Secretary Designate.

f. More than fifty percent of the existing Board members shall constitute a quorum.

Section 5.12 Majority Action.

Unless specified otherwise in these Bylaws, every action or decision of the Board shall require a majority of those present and voting.

Section 5.13 Written Consent.

Any action may be taken without a meeting, if at least 80% of the Board consent to the action in writing, which may be via electronic mail. Such action shall be filed with the minutes and shall have the same force and effect of a vote taken at a meeting.

Section 5.13 Attendance.

A Director is expected to prepare for and attend at least 75% of the meetings of the Board. A Director is considered "absent" from a meeting if attendance is not confirmed within 15 minutes of roll being taken.

Section 5.14 Removal of Directors.

Any Director may be removed by a vote of 2/3 of the remaining Board members, or by 2/3 vote of the Members in attendance at any duly noticed Member meeting.

Section 5.15 Vacancies.

Should a vacancy occur on the Board for any reason, the Board shall have the option to either appoint a replacement for the remainder of the term or leave the seat vacant until the next regular election.

ARTICLE VI
Officers and Executive Committee

Section 6.01 Officers.

There shall be four officers of the Association and they shall be the President, President-elect, Secretary and Treasurer.

Section 6.02 Executive Committee.

The Executive Committee shall be comprised of the Officers and the Immediate Past President. If the Immediate Past President resigns or is removed from office then the most recent Past President available can be appointed as the acting Immediate Past President, for the remainder of that term.

The role of the Executive Committee is to function as an advisory group to the President, to set the Executive Director's – compensation and evaluate their performance, and to manage CABB's relationship with the IBBA.

Section 6.03 Officer Qualification.

Any Director who is a Broker Member is eligible to become an Officer. Officers shall be elected by the Board at its annual planning meeting or first regular meeting after the election, and shall hold office for two years, beginning January 1 to December 31. In addition to the general qualifications to be elected, to be eligible to run for President-elect, a Board member must have served at least one full year on the Board.

Section 6.04 Removal.

Any Officer may be removed by a majority vote of the Board.

Section 6.06 President Duties.

The President shall be the Chief Executive Officer of the Association, shall supervise the Executive Director, and control the day-to-day affairs of the Association. The President shall perform all duties incident to the office and such other duties as may be required by law or these Bylaws or which may be prescribed by the Board. The President shall preside at all meetings, execute all deeds, mortgages, bonds, contracts, checks or other instruments which may from time to time be authorized by the Board. The President shall also be an ex-officio member of all standing committees of the Association, except the Nominating Committee.

Section 6.07 President-Elect Duties.

The President-Elect shall in the absence of the President, perform all the necessary duties of the President. These duties will cease upon the return of the President. The President-Elect may also be assigned other duties as the Board sees fit to assign.

Section 6.08 Secretary Duties.

- a. Maintain the Association's governing documents, Bylaws, and other corporate records as amended.
- b. Keep minutes of all meetings recording the time and place of holding, whether regular or special, how notice was given, attendees and all pertinent meeting results.
- c. See that all proper notices are given to the Board and the membership as required by these Bylaws and the California Corporations Code.
- d. Keep an up-to-date membership database containing the name, company name, address, telephone number and email address of each member.
- e. Publish all minutes of the meetings of the Board and the Members upon approval by the Board.
- f. Perform other duties as directed by the President or the Board that are incident to the position of Secretary of the Association.
- g. The Secretary Duties may be delegated to the Executive Director, as approved by the Board, and under the direct management of the Secretary.

Section 6.09 Treasurer Duties.

- a. Assure proper internal controls in place to safeguard the financial assets of the association.
- b. Review and submit to the Board a monthly accounting of all receipts and disbursements in the form of a financial statement showing results for the month and calendar year-to-date.
- c. Submit an annual budget forecasting revenue and expenses to the Board for review and approval.
- d. Assure adherence to Board approved signatory access to all bank accounts.
- e. Review and approve all bank and general ledger account reconciliations monthly.
- f. Assure the timely filing of all required annual reports and tax returns.
- g. The Treasurer Duties may be delegated to the Executive Director, as approved by the Board, and under the direct management of the Treasurer.

Section 6.10 Check Signing

The President, President-Elect, and Treasurer are the only Officers with authority to approve financial transactions or sign checks. All checks over \$1000 require approval from two designated officers.

Section 6.11 Compensation.

Officers shall not be compensated for their services as an Officer but may receive reimbursement for out of pocket actual and necessary expenses connected with their duties as Officers, as approved by the President and Treasurer.

**ARTICLE VII
Committees****Section 7.01 Creation and Process.**

The Board may create any committee deemed necessary or convenient to serve the purposes of the Association on such terms and conditions as from time to time the Board may require. The President shall appoint the chairperson and members of the committee. The Board may modify or revoke any of the authority of any committee, except the Nominating Committee or the Executive Committee. The committee shall establish a time and place for its meetings with reasonable notice to all members, and no act of a committee shall be valid unless approved by the majority of its members. Each committee shall keep the minutes of its meetings and submit the minutes to the Secretary.

Section 7.02 President's right to attend.

President of the Board shall have the right to attend all committee meetings, except the Nominating Committee.

Section 7.03 Terms.

Committee Chairpersons and members shall serve terms set by the Board and may be extended if the Board sees fit to do so. All committees and members shall be reviewed annually by the Board for reappointment.

Section 7.04 Vacancies.

Vacancies on committees shall be filled by appointment from the President for the unexpired term.

Section 7.05 Quorum.

A majority of committee members shall constitute a quorum.

Section 7.06 Conduct.

Each committee shall adopt its own rules for procedure as long as they are consistent with the law and do not violate these Bylaws or rules and regulations set by the Board.

**ARTICLE VIII
Chapters****Section 8.01 Chapters.**

The Board may determine policies, procedures, fees and requirements that allow Chapters of the Association. Chapters shall have a mission and purpose compatible with and like the mission and purpose of the Association.

ARTICLE IX

Association Management

Section 9.01 Executive Director.

The Board shall identify and engage an Executive Director, who may either be an employee of the Association or of a professional management firm contracted with the Association. The administrative offices of the Association shall be the responsibility of the Executive Director, who shall report to the President.

Section 9.02 Executive Director Duties.

- a. The duties and responsibilities of the Executive Director will be defined by the Board in the form of a job description, or contracted with a management firm wherein the duties are included in the management agreement.
- b. The Executive Director will report to the President and will perform those duties and have responsibilities as thereby assigned.
- c. The Executive Director shall attend all meetings of the Board and Executive Committee as an ex-officio member without voting rights, except on those matters in which the Board or the Executive Committee deem to include discussions about the Executive Director or the management firm.
- d. The Executive Director shall make reports to the Board and Executive Committee on the affairs and business of the Association when requested by the Board or Executive Committee.
- e. The Executive Director may delegate certain duties to their staff.

ARTICLE X

Rules of Order - Parliamentary Authority

Section 10.01 Conduct.

To the extent that it is practical to do so, and provided they are not in conflict with these Bylaws or governing documents of the Association, the rules contained in Robert's Rules of Order, Newly Revised (latest edition) shall govern the Executive Committee, the Board, and the Committees.

ARTICLE XI

Execution of Instruments

Section 11.01 Execution of Instruments.

The Board, except as otherwise provided in these Bylaws, may by resolution authorize any Officer, Director, or agent of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized, no Officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

Section 11.02 Deposits.

The Board shall authorize the depositories that will be used for the Association assets.

ARTICLE XII

Indemnification and Insurance

Section 12.01 Indemnification.

The association shall indemnify and defend any and all of its current or former Officers, Directors, committee members, staff, and agents against expenses, judgments, decrees, fines, penalties and amounts paid in defense or settlement of pending or threatened civil or criminal proceedings or other claims in which they or any of them are made parties to in connection with or related to their being or having been Officers, Directors, committee members, agents or staff to the full extent permitted by law, except in the case of gross negligence or intentional misconduct.

Section 12.02 Insurance.

The Association shall purchase and maintain all insurance that is required by law, or is customary for similar associations (i.e., commercial general liability insurance and directors' and officers' insurance).

Section 12.03 Directors and Officers Rights.

The foregoing rights of indemnification shall not be exclusive of other rights to which any such Director, Officer, Association representative or staff may be entitled by contract or as a matter of law, and shall inure to the benefit of the heirs, legatees, and personal representatives of such Director, Officer, Association representative or staff, to the extent permitted by law.

Section 12.04 Savings Provision.

If any word, clause or provision of this Article shall, for any reason, be determined to be invalid, the remaining provisions hereof shall not otherwise be affected thereby but shall remain in full force and effect.

ARTICLE XIII

Association Records

Section 13.01 Books and Records.

The Secretary, or the Executive Director if so designated, must keep adequate and correct records of accounts and minutes of the proceedings of its members, Board, and committees of the Board. The Association must also keep a record of its members giving their names and addresses and the class of membership held by each. Other books and records will be kept in either written form or in any other form capable of being converted into written form.

Section 13.02 Accounting Records.

The Treasurer shall keep and maintain adequate and correct accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Section 13.03 Annual Reports.

By March 31 of every year the President shall cause to be prepared and make available an annual report in writing for the information of all members. It shall summarize the prior year's activities and projections for the coming year.

Section 13.05 Records open to the Membership.

The correspondence and the meeting minutes, the Treasurer's books of accounts and the Secretary's records except confidential matters relating to membership, contracts or personnel, shall be open for inspection, by any members of the Association in good standing, at the offices of the Executive Director during normal business hours fixed by the Executive Committee.

**ARTICLE XIV
Association Forms****Section 14.01 Association (CABB) Forms.**

CABB forms and their contents are the copyrighted property of CABB and are available from the Association for the exclusive use of current Broker Members. Members may utilize the forms only under the following conditions:

- a. CABB forms may not be reproduced, copied, plagiarized in whole or in part, or incorporated into any other forms or documents not produced by the Association.
- b. With the exception of word or phrase omissions utilizing strikethroughs, or the use of separate addenda, alteration of CABB forms is prohibited.
- c. The Association logo shall not be removed from CABB forms, nor may business names or other logos be added.
- d. The Association logo may not be affixed to any non-CABB forms.
- e. Association forms may not be made available for use by non-members except when co-brokering with a non-member broker or when conducting business brokerage activities with buyers and sellers.
- f. All forms access must be done through an individual Broker Members username and password.
- g. No members shall provide access to Association forms on web sites, CRM systems or other digital media for use by non-member individuals.
- h. Upon termination of membership for any reason, that individual must cease use of CABB Forms immediately.
- i. The Association Board shall enforce the provisions of this Article by all legal means including, but not limited to, notification to any offender to cease and desist from such violations; institution of any appropriate legal or administrative action in the court or agency of appropriate jurisdiction to enforce the Association's rights in its intellectual property; and, in the case of violations by any member of the Association, revocation or suspension of such member's membership.

**ARTICLE XV
Association Logo****Section 15.01 Logo.**

Members and the firms with which they are affiliated may use the Association logo only as follows: Any member of the Association may display the Association's logo on business cards or email signatures. Upon termination of membership, the member must immediately terminate use of the logo.

ARTICLE XVI
Effective Date and Amendments

Section 16.01 Effective Date.

These Bylaws shall become effective upon their adoption. Amendments to these Bylaws shall become effective immediately on their adoption unless the Board or members, in adopting them as hereinafter provided, provide that they are to become effective at a later date.

Section 16.02 Amendments.

Subject to any provisions of the California Corporations Code, these Bylaws or any of them, may be amended, or restated adopted by the Board by a 2/3 vote of the Board present at any regular or special meetings of the Board, or by a 2/3 vote of the Members present at a meeting. Any amendment or restatement shall be published to the Board or Members, as applicable, at least 10 days prior to the meeting upon which such amendment or restatement will be voted upon.

Section 16.03 Retention.

The current version of these Bylaws shall be certified by the Secretary of the Board and shall be recorded and kept in electronic format, and such Bylaws shall be open to inspection by the members at all reasonable times.

ARTICLE XVII
Dissolution and Distribution of Assets

Section 18.01 Dissolution and Distribution of Assets.

Upon dissolution of the Association, the Association shall use its funds and assets only to accomplish the objectives and purposes specified in these Bylaws and no part of said funds and assets shall inure or be distributed to the members of the Association. On dissolution, any funds or assets remaining after payment of the Associations obligations shall be distributed to one or more regularly organized or qualified charitable, educational, scientific, or philanthropic organizations or business organizations to be selected by the Board.

ARTICLE XIX
Code of Ethics

Section 19.01 Code of Ethics.

The Code of Ethics adopted by the Association is attached hereto.

Approved and adopted September 13, 2023 by the Board of Directors.

I certify and attest that these Bylaws were adopted by the Board of Directors on the date written above.

Matt Coletta, Secretary