

CONFLICTS OF INTEREST POLICY

Article I

Purpose

The purpose of the conflict of interest policy is to protect the interest of the National Association of Bond Lawyers (“NABL”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, committee member or staff member of NABL. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations.

Article II

Definitions

1. Interested Person

Any officer, director, committee member or staff member, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- a. an ownership or investment interest in any entity with which NABL has a transaction or arrangement, or
- b. a compensation arrangement with NABL or with any entity or individual with which NABL has a transaction or arrangement, or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which NABL is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists. A financial interest does not include ownership of less than one percent of the publicly traded stock of a corporation.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors or to the committee members considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members (even if less than a quorum) shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the board or committee shall determine whether NABL can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in NABL's best interest and for its own benefit and whether the transaction is fair and reasonable to NABL and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

a. If the board or committee has reasonable cause to believe that an interested person has failed to disclose an actual or possible conflict of interest, it shall inform such interested person of the basis for such belief and afford such interested person an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of such interested person and making such further investigation as may be warranted in the circumstances, the board or committee determines that such interested person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, which may include (but shall not be limited to) (a) dismissal from the staff, board or committee (subject, in the case of staff, to the requirements of the Employment Manual), (b) termination of NABL membership for board or committee members in accordance with NABL By-Laws, or (c) reporting to appropriate state bar organizations in egregious cases.

Article IV

Records of Proceedings

The minutes of the board and the written reports prepared by all committees shall contain:

1. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed, and
2. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Article V

Annual Statements

Each officer, director, committee member or staff member shall annually sign a statement which affirms that such person:

1. has received a copy of the conflicts of interest policy,
2. has read and understands the policy,
3. has agreed to comply with the policy, and
4. understands that in order for NABL to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VI

Periodic Reviews

To ensure that NABL operates in a manner consistent with its mission and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining, and whether partnership and joint venture arrangements and arrangements with management service organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further NABL's charitable purposes and do not result in inurement or impermissible private benefit.

In conducting such periodic reviews, NABL may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

Adopted: September 8, 2004