HAWAII SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

BYLAWS

ARTICLE I
NAME AND PURPOSE

1.1 NAME. The name of this society shall be "Hawaii Society of Certified Public Accountants" hereinafter designated as the Society.

1.2 PURPOSES. The purposes of the Society are:

1.21 To promote high standards of integrity and competence within the accounting profession;

1.22 To safeguard the interests of the general public and certified public accountants in the practice of accountancy;

1.23 To provide and improve accountancy education and encourage young men and women to enter the accounting profession;

1.24 To furnish information regarding accountancy and its practices and methods to persons interested;

1.25 To provide leadership and enlightenment to the general public in areas where the accounting profession has demonstrated a special competency;

1.26 To encourage improvements in the laws affecting the practice of accountancy;

1.27 To encourage improvements in the application of accounting principles or auditing procedures;

1.28 To promote cordial relationships among the members and with others in the accounting profession; and

1.29 To do any and all things that are lawful and appropriate in the furtherance of these purposes.

1.3 OFFICE. The office of the Society shall be located in the City and County of Honolulu.

ARTICLE II
MEMBERSHIP

2.1 CLASSES. Membership shall consist of two classes: voting and non-voting.

2.11 VOTING MEMBERSHIP. Voting membership shall be granted only to residents of the State of Hawaii who either

(1) hold a valid and unrevoked certified public accountant certificate issued by any state, territory or possession of the United States or the District of Columbia or

(2) hold a valid and unrevoked certified public accountant certificate or the substantial equivalent issued by a foreign country or political subdivision thereof.

Provided, however, that a person who has been duly admitted as a voting member and who otherwise continues to meet the qualifications for membership may continue to be a voting member notwithstanding the lapse of such person's certified public accountant certificate, if such person remains in compliance with Hawaii law regarding the use of the CPA designation.

2.12 NON-VOTING MEMBERSHIP. Non-voting members shall include non-resident, associate, faculty, retired, life, committee affiliate, student and honorary members, as defined below.

(1) NON-RESIDENT MEMBERSHIP. Any nonresident of the State of Hawaii who is holding a valid and unrevoked certified public accountant certificate issued by any state, territory or possession of the United States or the District of Columbia.

(2) ASSOCIATE MEMBERSHIP. Any resident of the State of Hawaii who (i) has passed the Uniform CPA Examination and is otherwise qualified except that he or she has not fulfilled the experience and/or education requirements to receive a certified public accountant certificate as specified in the rules of the Hawaii State Board of Accountancy, or (ii) is employed by a CPA firm and has stated his or her intent to take the Uniform CPA Examination.

(3) FACULTY MEMBERSHIP. Any resident of the State of Hawaii who is employed as a full-time faculty member teaching accounting in an accredited two or four year college or university in Hawaii; has successfully passed the Uniform CPA Examination; and is not holding a valid certified public accountant certificate issued by any territory or possession of the United States or the District of Columbia or the substantial equivalent issued by a foreign country or political subdivision thereof.

(4) RETIRED MEMBERSHIP. Any person who holds, or has previously held, a certified public accountant certificate issued by any state, territory or possession of the United States or the District of Columbia, and who has retired and is not engaged in the practice of public accounting or any other major occupational activity. A previous holder of a CPA certificate may become, or continue as, a retired member after voluntarily relinquishing his or her certificate, but not after

the revocation or cancellation of his or her certificate for disciplinary reasons. The member must so state in writing to the Board of Directors before July 1 to be granted retired membership status effective the beginning of the next fiscal year.

(5) LIFE MEMBERSHIP. Any person who meets the requirements for Retired Membership, as set forth above, and who was a voting member of the Society for at least 25 years. The member must so state in writing to the Board of Directors before July 1 to be granted life membership status effective the beginning of the next fiscal year. Life members shall not be liable for dues or assessments.

(6) HONORARY MEMBERSHIP. The Society by a unanimous vote of the members present at any regular or special meeting, on nomination of the Board of Directors, may confer honorary membership on any person (even though not in the active practice of the profession), who through his or her activity has contributed to the success and advancement of the Society or profession. Honorary members shall not be entitled to vote at the meetings of the Society, and shall not be liable for dues or assessments.

(7) COMMITTEE AFFILIATE MEMBERSHIP. Any person who is not eligible for another category of membership may, with the approval of the President and the chairman of the committee involved, be admitted to committee affiliate membership status. A committee affiliate member may continue as such only so long as the member is actively serving on a committee of the Society. A committee affiliate member shall pay dues in an amount set by the committee and ratified by the Board of Directors.

(8) Any student enrolled in a college or university, and actively pursuing a degree in accounting, shall be eligible for student membership. The Board of Directors may, in its discretion, establish reduced fees for student members for attendance at the Society's functions and events.

(9) The Board of Directors may create additional categories of non-voting members from time to time, and may define the criteria for such memberships.

2.111 Non-voting members shall have all the rights, privileges, and duties of voting members except that: (a) they shall not have the right to vote or hold office as an officer or director of the Society, and (b) they shall be eligible to participate in insurance programs and other member benefit programs provided to the Society by outside vendors only to the extent that the vendors permit such participation.

2.2 APPLICATION.

2.21 APPLICATION. Application for membership shall be made in writing to the Secretary/Treasurer on a form approved by the Board of Directors. The application shall be signed by the applicant and by two voting members in good standing and shall be accompanied by the initiation fee as prescribed in Section 8.1.

2.22 ADMISSION. Within a reasonable time after the receipt of an application, the Board of Directors shall determine the fitness of the applicant and approve, by a majority vote, the admission to membership. Upon acceptance, the applicant shall be sent a written notice of admission to membership.

2.23 CHANGE IN MEMBERSHIP STATUS. Any member who ceases to be eligible for the category of membership held shall so notify the Society in writing. The member may thereupon be converted to a category of membership for which he or she qualifies, or terminated pursuant to Section 2.4.

2.3 CERTIFICATE. A certificate of membership and/or membership card in such form as the Board determines shall be issued to each member. The certificate shall be the property of the Society and shall be returned upon request by the Board of Directors.

2.4 TERMINATION. A membership in the Society may be terminated by voluntary resignation or as a matter of disciplinary proceedings provided in Article XI of these Bylaws. Membership shall be terminated if the member ceases to be eligible for membership, or in an appropriate case, the member may be shifted to a different category of membership. Voluntary resignation of a member in good standing shall be submitted in writing to the Secretary/Treasurer for acceptance by the Board of Directors. The resignation of a member shall be accepted if all indebtedness to the Society has been paid and the member is not subject to disciplinary action under the provisions of Article XI of these Bylaws. If submitted by July 31, the resignation shall be accepted without payment of dues for the fiscal year of resignation.

2.5 RE-ADMISSION. The Board by a majority vote may readmit a former member to membership but the readmission shall not become effective unless he pays his entire indebtedness to the Society. A member who shall have been suspended for any cause other than nonpayment of indebtedness owing to the Society shall be reinstated upon the expiration of any specified period of suspension or, if the period of suspension be indefinite, upon removal of the cause for suspension to the satisfaction of a three-fourths majority of all then-serving members of the Board of Directors.

ARTICLE III
BOARD OF DIRECTORS

3.1 COMPOSITION. The Society shall be governed by a Board of Directors consisting of the officers, the immediate past president, voting members of the Society who are members of the Council of the American Institute of Certified Public Accountants, and at least five and a maximum of fifteen other voting members elected as provided in Article VI.

3.2 TERM. An elected director shall serve from the beginning of the fiscal year following his or her election until the end of the following fiscal year or until the election of the director's successor, whichever is later. No person may be elected to more than three consecutive two-year terms on the Board of Directors. Service on the Board of Directors while simultaneously serving as an officer (including the office of immediate past president) or as an AICPA Council Member, shall not count for purposes of this rule. A person may be

elected to any number of terms on the Board of Directors, provided that no more than three two-year terms are consecutive.

3.3 POWERS. The Society shall be governed by the Board of Directors, who shall have general charge, management, and control of the affairs, funds, and property of the Society. The Board shall establish all policies of the Society, except as may be established by the members in meeting assembled or as may be otherwise reserved to the members by these Bylaws.

3.4 AN EXECUTIVE COMMITTEE, consisting of the President as chairman, the President-elect, Vice President, Secretary/Treasurer, Immediate Past President, and two Directors as designated by the President, may act in place and stead of the Board of Directors upon delegation of authority to such committee by the Board. Action of the Executive Committee shall be reported to the next Board meeting.

3.5 QUORUM. A quorum of the Board shall consist of the greater of (a) five directors who are present and eligible to vote, or (b) one-third of the total number of directors then in office. A quorum shall be necessary to approve any business to be transacted by the Board, except as may be otherwise provided in these Bylaws.

3.6 CHANGE OF RESIDENCE OR ABSENCE. A change of residence from the State of Hawaii or an absence from three consecutive regular meetings of the Board by an officer or elected director may be deemed a tender of resignation from office, unless said absence is temporary and a satisfactory explanation of the absence is given to the Board upon their request.

3.7 RESIGNATION OR REMOVAL. Any director may resign by submitting a written notice to the Board or may be removed by a vote of at least two-thirds of the voting members present at a special meeting called for that purpose or at an annual business or election meeting upon due notice of that purpose.

3.8 VACANCY. If a vacancy occurs in a directorship, except that of immediate past president, the Board may designate a voting member to fill the vacancy for the remainder of the term. If the number of directors other than the officers, the immediate past president, and voting members of the Society who are members of the Council of the American Institute of Certified Public Accountants falls to fewer than five, the Board shall fill enough vacancies to restore such number to at least five.

ARTICLE IV
OFFICERS

4.1 COMPOSITION. The officers of the Society shall be the President, President-elect, Vice President, and Secretary/Treasurer. All officers shall be elected from the voting members of the Society in accordance with the provisions of Article VI of these Bylaws.

4.2 TERM. An officer shall hold office from the beginning of the fiscal year following his or her election until the end of the same fiscal year.

4.3 POWERS.

4.31 PRESIDENT. The president, as the chief executive officer of the Society shall be responsible to:

4.311 Preside at all meetings of the Society and of the Board of Directors;

4.312 Submit at the annual business meeting, and at such other times as may be required, a written general report of the affairs of the Society; and

4.313 Perform such other duties as usually pertain to this office or are delegated to this office by the Board of Directors.

4.32 PRESIDENT-ELECT. The President-elect shall perform all executive and other duties ordinarily pertaining to the office of President-elect or any duties delegated to him or her by the President or the Board of Directors. The President elect shall act for the President, at the direction of the Board of Directors, when the President is absent, unable to or unwilling to act.

4.33 VICE PRESIDENT. The Vice President shall perform all executive or other duties ordinarily pertaining to the office of the Vice President or any duties delegated to him or her by the President or the Board of Directors. The Vice President shall act for the President, at the direction of the Board of Directors, when the President and President-elect are absent, unable to or unwilling to act.

4.34 SECRETARY/TREASURER. The Secretary/Treasurer shall be responsible to:

4.341 Attend all meetings of the members and the Board of Directors of the Society and determine whether or not a quorum is present to transact any business of the Society.

4.342 Record the proceedings of such meetings and of all other matters of which a record shall be ordered;

4.343 Make such records available for inspection by any member of the Society at all reasonable times;

4.344 Give notice of all meetings of the members and the Board of Directors of the Society;

4.345 Give notice of admission to membership to new or reinstated members and keep a record of their names, addresses and dates of admission to the membership;

4.346 Keep a register of members with their home and business addresses;

4.347 Have custody of the seal of the Society and affix same to documents when required;

4.348 Receive all funds paid to the Society and deposit them in a bank or banks designated by the Board of Directors;

4.349 Have charge of investments of the Society;

4.3410 Make payments through checks signed in a manner designated by the Board of Directors for the expenditures previously budgeted or for the expenditures previously not budgeted but specifically approved by the Board of Directors;

4.3411 Keep accounts and prepare the financial statements of the Society and make such records available for examination by any members of the Board of Directors or available to members upon their request;

4.3412 Deliver the financial and other related records to the auditor within sixty days after the end of the fiscal year;

4.3413 Perform all other duties ordinarily pertaining to the office of Secretary/Treasurer or delegated to this office by the Board of Directors or the President. If the Secretary/Treasurer is temporarily unable or unwilling to act, a Secretary/Treasurer pro tem shall be designated by the Board of Directors from the directors. The Executive Director of the Society shall perform any of the above mentioned duties as delegated by the Secretary/Treasurer, President, or Board of Directors.

4.3414 Upon request by any member, the Secretary/Treasurer will furnish a copy of these Bylaws to such member.

4.4 RESIGNATION OR REMOVAL. Any officer may resign by submitting a written notice to the Board of Directors, or may be removed by a vote of at least two-thirds of the members present at a special meeting called for that purpose or at annual business or election meeting upon due notice of that purpose.

4.5 VACANCY. If a vacancy occurs in an office, the Board of Directors shall designate a voting member to fill the vacancy for the remainder of the term.

ARTICLE V
COMMITTEES

5.1 COMPOSITION. The committees of the Society shall consist of such committees as the Board of Directors may designate from time to time, for such purposes and such duration as the Board deems proper. The Board may, in its discretion, delegate to the Executive Committee the authority to exercise certain powers on behalf of the Board. No other committee shall have or exercise the powers of the Board; all actions by committees shall be subject to approval by the Board.

5.11 BUDGET AND FINANCE. There shall be a budget and finance committee consisting of the Secretary/Treasurer as chairman and such other members as the

President may appoint. The Budget and Finance Committee shall have the responsibility of preparing the annual budget and selecting the audit firm, subject to approval of the Board of Directors, for the next fiscal year.

5.12 NOMINATING. The nominating committee shall consist of the President as chairman, the Immediate Past President, the President-elect, and at least two additional voting members of the Society. In addition to making nominations for all officer and director positions, the Nominating Committee will have the responsibility of nominating candidates for membership on the AICPA Council from Hawaii annually with the objective of selecting individuals who are willing to become active on the national level. Special consideration will be given to the President-elect and Vice President as nominees for the available Council seats.

5.13 OTHER COMMITTEES. The President and President-elect shall be ex officio members of all committees. The President may designate specific officers or Board members as liaisons between the committees and the Board to communicate to the committees the Board's policy or direction, and to encourage the committees to operate and to report to the Board on committee activities.

5.2 TERM. The President and the President-elect shall have the authority to appoint committee chairmen and members after the annual election meeting. A committee member shall serve from the effective date of appointment for the term fixed in such appointment or until the appointment of a successor. There shall be no limit on the number of years a member can be reappointed to the same committee. Neither the existence of any committee nor any membership thereon shall be terminated merely by the assumption of office by newly elected directors and officers. However, any committee may be dissolved at any time by the President with the approval of the Board of Directors.

5.3 DUTIES.

5.31 OBJECTIVES. Each committee shall develop its objectives and duties, subject to the general guidance and direction of the Board of Directors. Such objectives and duties, together with a program of work and budget, shall be submitted to the President elect and approved by the new Board of Directors at its first regular meeting in the fiscal year, or at such other time as the Board may direct.

5.32 REPORTING.

5.321 Each committee shall make progress reports on its activities to the Board of Directors at such times as deemed appropriate by the chairman or directed by the President. At a minimum, a report is expected on a semi-annual basis.

5.322 Each committee shall submit a final written report to the Board upon completion of any projects or assignments.

5.323 Each committee may submit, before the annual business meeting, a written report to the President on its activities during the year and all such reports shall be made available to the membership.

5.324 A committee chairman, or member, attending a National conference or meeting as a representative of the Society shall make a written report to the Board of Directors.

5.4 REMOVAL AND VACANCY. Any committee members may be removed, with approval of the Board of Directors by the President. If any vacancy occurs, whether created by removal, resignation, or any other cause, the President may designate a voting member of the Society to fill the vacancy for the remainder of the term.

ARTICLE VI
NOMINATIONS AND ELECTIONS

6.1 NOMINATIONS. On or before March 31 of each year, the nominating committee shall submit to the Secretary/Treasurer its nominations for officers, directors and AICPA council members for the following fiscal year. The Secretary/Treasurer shall include such nominations in the notice of the annual election meeting. If any nominee should for any reason become unavailable after notice of the election has been given, and if voting is not conducted by written ballot, then nominations for that office from the floor by any member in good standing who is present in person at the annual election meeting shall be accepted.

6.2 VOTING. Election of officers, directors and AICPA Council members shall be by voice vote of the voting members at the annual election meeting, unless a vote by written ballot is requested by at least ten voting members. Such a request must be made in writing and delivered to the Secretary/Treasurer at least twenty days prior to the annual election meeting. If vote by written ballot is requested, ballots shall be sent by mail to all voting members at their last known addresses. A period of not less than seven days shall be allowed for the return of ballots. The President shall appoint three tellers, including a chairman, to receive and count the ballots and to announce the results. A majority of those members voting shall be required to elect an officer, director or Council member, provided that if no candidate receives a majority of the votes, the candidate receiving the greatest number of votes shall be elected. The membership may, when there is only one nominee for an office, instruct the Secretary/Treasurer to cast an elective ballot.

6.21 WRITE-IN VOTES. In the event that a written ballot is requested, the ballot form shall allow for write-in candidates to be added by the persons voting. Any person who receives votes shall be considered a nominee, provided that if a person who is not eligible to serve as an officer, director, or AICPA Council member, or who refuses to serve, would otherwise be elected, votes for that person shall be disregarded and the candidate with the next highest number of votes shall be deemed elected.

ARTICLE VII
MEETINGS

7.1 REGULAR MEMBERSHIP MEETINGS. Regular meetings of the members shall be held at such times and places as may be determined by the Board of Directors. A written or printed

notice of each meeting of the members shall be mailed by the Secretary/Treasurer at least five days prior to such meeting, or at least ten days prior to any meeting held for the purpose of amending the Bylaws.

7.2 REGULAR BOARD OF DIRECTORS MEETINGS. Regular meetings of the Board of Directors as a whole shall be held bi-monthly at such times and places as may be determined by the Board of Directors. Notice of each meeting of the Board shall be given by the Executive Director at least five days prior to the date of such meeting.

7.3 REGULAR EXECUTIVE COMMITTEE MEETINGS. Regular meetings of the Executive Committee of the Board of Directors shall be held monthly at such times and places as may be determined by the Board of Directors. Notice of each meeting of the Executive Committee, together with the agenda for such meeting, shall be given by the Executive Director to all members of the Board of Directors at least five days prior to the date of such meeting.

7.4 SPECIAL MEETING. A special meeting of the members may be called at any time by the Board of Directors, or by the lesser of (a) five percent of the voting members, or (b) any twenty-five voting members in good standing. A special meeting of the Board may be called at any time by the President or any two directors. Such meetings shall be held at such times and places as may be specified in the calls. A written notice of each special meeting, except for the purpose of amending the Bylaws, shall be mailed by the Secretary/Treasurer at least five days prior to the date of such meeting.

7.5 COMMITTEE MEETING. All committees shall meet upon the call of the chairman at such times as may be necessary to accomplish committee assignments. Committee meetings may, with the consent of all committee members, be held via telephone conference, video conference, or real-time internet connection.

7.6 ANNUAL ELECTION MEETING. An annual election meeting of the Society shall be held between April 1 and June 30 of each year at such time and place as may be determined by the board for the election of officers, directors and AICPA Council members, and for such other business as may be specified in the notice of the meeting. If requested pursuant to Section 6.2, above, the election may be conducted by mail ballot. A written or printed notice of the meeting shall be mailed by the Secretary/Treasurer at least 30 days prior to the date of such meeting. The annual election meeting may be combined with the annual business meeting.

7.7 ANNUAL BUSINESS MEETING. An annual business meeting of the Society shall be held each year at such time and place as may be determined by the Board of Directors. A written or printed notice of the meeting shall be mailed by the Secretary/Treasurer at least 10 days prior to the date of such meeting. The annual business meeting may be combined with the annual election meeting.

7.8 VOTING AND QUORUM. Except as may be otherwise provided in these Bylaws, a majority vote of the voting members present in person or by proxy shall be necessary to approve any business at any meeting of the Society. All proxies must be in writing, and must be submitted to the Secretary/Treasurer at least five business days prior to the annual election meeting. Each proxy shall state the name of the voting member to whom it is trusted and

shall be good for only one specified meeting. A quorum of the members shall consist of at least twenty-five voting members present in person or by proxy.

7.9 MANNER OF NOTICE. Notice of any meeting of the members or the Board of Directors shall be delivered in person, by telephone or by mail. Oral notice is effective when communicated. If mailed, notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the recipient's address as it appears in the records of the Society. Notice may also be given by electronic transmission, provided that the recipient shall have consented to receive notice by electronic transmission. Notice given by electronic transmission shall be deemed given (i) if transmitted by electronic mail, when directed to an electronic mail address at which the recipient has consented to receive notice, (ii) if transmitted by facsimile telecommunication, when directed to a number at which the recipient has consented to receive notice, and (iii) if transmitted by any other form of electronic transmission, when directed to the recipient.

7.10 WAIVER OF NOTICE. A member or director may waive notice at any time in a signed writing or by electronic transmission delivered to the Society, provided that the electronic transmission contains information from which the Society may determine that the electronic transmission was transmitted by the member or director. The attendance of a member or director at any meeting shall constitute a waiver of notice of the meeting, except where the member or director at the beginning of the meeting objects to the holding of the meeting or the transaction of any business because the meeting has not been lawfully called or convened.

7.11 ORDER OF BUSINESS. Roberts' Rules of Order shall govern all meetings of the Society except as may be otherwise provided in these Bylaws.

ARTICLE VIII
FINANCIAL MANAGEMENT

8.1 PAYMENTS BY MEMBERS.

8.11 INITIATION FEE. The initiation fee of an amount as established by the Board of Directors shall accompany an application to any membership of the Society.

8.12 DUES. All dues shall be established annually by the Board of Directors and shall be payable in advance by July 1. The Board may establish different amounts of dues for different types of memberships.

8.13 ASSESSMENTS. An assessment may be levied upon the members only if voted by the Board of Directors and approved by a majority vote of the voting members casting ballots in a mail vote.

8.2 FISCAL YEAR. The fiscal year shall begin on July 1 of each year and end on June 30 the following year.

8.3 SEAL. The seal of the Society shall be a circular die inscribed with the words "HAWAII SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS" around the outer edge and with the

words "INCORPORATED" and "OCTOBER 20, 1932" above and below, respectively, the coat-of-arms in the center.

8.4 INDEPENDENT AUDITOR.

8.41 DUTIES AND POWERS. The independent auditor, selected annually by the budget and finance committee, subject to approval of the Board of Directors, shall:

8.411 Express an opinion on the financial statements of the society for the previous year;

8.412 Present such opinion, accompanied by the financial statements, to the Board of Directors; and

8.413 Receive a fee as set by the budget and finance committee, and approved by the Board of Directors.

8.5 ANNUAL BUDGET. The Budget and Finance Committee shall prepare a budget for the fiscal year for approval by the Board of Directors at its first meeting of the fiscal year. Committee chairmen shall submit budget requests to the Budget and Finance Committee at least twenty days before the Board meeting. Approval of the budget by the Board of Directors shall constitute appropriation of the amounts included therein for the purposes stated. No person shall obligate the Society for expenditures in excess of budgeted amounts or for any amounts for purposes not included in the budget except upon prior approval of the Board.

8.6 INSURANCE. The Society shall purchase and maintain such insurance as the Board of Directors and/or the officers may deem appropriate, including but not limited to Directors and Officers liability coverage to protect persons serving as directors and/or officers of the Society. No director or officer shall be required to abstain from any vote or decision regarding the purchase of such insurance by reason of being a person protected by such insurance.

ARTICLE IX
LOCAL CHAPTERS

9.1 FORMATION. Chapters of the Society may be established in other cities or localities of the State of Hawaii. The petition for formation of a chapter to the Board of Directors shall be signed by at least ten members of the Society residing in such city or locality.

9.2 POWERS. A duly organized local chapter of the Society may exercise any appropriate functions not reserved by these Bylaws to the Society as a whole or to its officers and directors, but may not bind the Society by its actions or obligate the Society in any manner.

9.3 BYLAWS. The bylaws of any local chapter shall not conflict with those of the Society and shall be subject to approval of the Board of Directors of the Society. In the event of conflict or inconsistency, the conflicting provisions in the local chapter's bylaws shall be null and

void and the bylaws of the Society shall govern.

ARTICLE X
CODE OF PROFESSIONAL CONDUCT

10.1 GENERAL. The reliance of the public and the business community on sound financial reporting and advice on business affairs imposes on the accounting profession an obligation to maintain high standards of technical competence, morality and integrity. To this end, a member of the Hawaii Society of Certified Public Accountants shall at all times maintain independence of thought and action, hold the affairs of clients in strict confidence, strive continuously to improve professional skills, observe generally accepted auditing standards, promote sound and informative financial reporting, uphold the dignity and honor of the accounting profession, and maintain high standards of personal conduct.

10.2 AICPA CODE OF PROFESSIONAL CONDUCT. In further recognition of the public interest and his obligation to the profession, a member agrees to comply with the Code of Professional Conduct adopted by the American Institute of Certified Public Accountants (AICPA) as now constituted and as may be hereafter amended, except that in the case of any conflict between that Code and these Bylaws, or any conflict between that Code and Hawaii law, the Bylaws of the Society or Hawaii law shall prevail.

10.3 HAWAII REVISED STATUTES, CHAPTER 466. A member of the Hawaii Society of Certified Public Accountants who is licensed under the laws of the State of Hawaii under Hawaii Revised Statutes, Chapter 466, Public Accountancy, shall be governed by the provisions in Chapter 466 and by such rules established by the Board of Accountancy as may be applicable to such member.

ARTICLE XI
DISCIPLINE OF MEMBERS

11.1 NON-PAYMENT OF FINANCIAL OBLIGATION. The Board of Directors may, in its discretion, terminate the membership of a member who fails to pay his dues or any other obligation to the Society six months after such debt has become due unless such obligation shall be paid within 30 days of a final delinquency notice. Any membership so terminated may be reinstated by the Board of Directors.

11.2 DISCIPLINE WITHOUT HEARING. Subject to the requirements of Section 11.5, below, membership in the Society shall be suspended or terminated for disciplinary purposes as provided in sections 11.21 and 11.22, under such conditions and by such procedure as shall be prescribed by the Board of Directors.

11.21 CRIMINAL CONVICTION OF MEMBER. Subject to the requirements of Section 11.5, below, membership in the Society shall be suspended or terminated should there be filed with the Secretary of the Society a judgment of conviction imposed upon any member for:

11.211 A crime defined as a felony under the law of the convicting jurisdiction;

11.212 The willful failure to file any income tax return which he, as an individual taxpayer, is required by law to file;

11.213 The filing of a false or fraudulent income tax return on his or a client's behalf; or

11.214 The willful aiding in the preparation and presentation of a false and fraudulent income tax return of a client; and shall be terminated in like manner upon the similar filing of a final judgment of conviction.

11.22 SUSPENSION OR REVOCATION OF CERTIFICATE. Subject to the requirements of Section 11.5, below, membership in the Society shall be suspended if a member's certificate as a certified public accountant, or license or permit to practice as such or to practice public accounting is suspended as a disciplinary measure by the Hawaii State Board of Accountancy; but, such suspension of membership shall terminate upon reinstatement of the certificate. Subject to the requirements of Section 11.5, below, membership in the Society shall be terminated if such certificate, license, or permit is revoked, withdrawn, or canceled as a disciplinary measure by the said State or by the said State Board of Accountancy.

11.23 SUMMONING OF THE MEMBER. Application of provisions of sections 11.21 and 11.22 shall not preclude the summoning of the member concerned to appear before the Joint Trial Board pursuant to section 11.3.

11.24 SUSPENSION OVER TWO YEARS. Membership shall be automatically terminated after a member has been suspended over two years unless the Board of Directors shall, by a three-fourths majority vote, extend such period of suspension for mitigating circumstances. Such automatic termination shall not be effective until thirty days after notice thereof shall have been given to the member.

11.3 DISCIPLINE BY JOINT TRIAL BOARD.

11.31 REASONS AND PROCEDURES. Whenever a member of the Society, whether or not he or she is a member of the American Institute of CPAs, shall be charged with violating these Bylaws or any Code of Professional Conduct promulgated hereunder the said charge shall be initiated in accordance with the terms of any then subsisting agreement between the Society and the AICPA relating to ethics enforcement. All committees, board, and other bodies of the Society are hereby empowered to carry the provisions of Section 11.31 and 11.32 into effect by acting jointly and in cooperation with the appropriate bodies of the AICPA under the agreements, rules and procedures in effect between the Society and the AICPA at the time of such action.

11.32 JOINT TRIAL BOARD HEARING. The hearing shall be conducted under the terms of the aforesaid agreement, the then operative rules of the Joint Trial Board Division of the AICPA and the then operative joint ethics enforcement procedures in effect by virtue of the agreement between the Society and the AICPA.

11.4 PUBLICATION OF JOINT TRIAL BOARD ACTION. Notice of the result of final action in every disciplinary matter under section 11.2 and 11.3 shall be published in a membership periodical of the Hawaii Society. In the case of action taken under section 11.3, the notice shall be in a form approved by the chairman of the hearing panel which took the last action in the matter. In the case of action taken under section 11.2, the notice shall be in a form approved by the chairman of the Regional Trial Board. In every case the notice shall disclose the name of the member involved if the hearing panel or the ethics committee so decides by a majority of the members present and voting at the meeting or hearing at which the action is taken. No such publication shall be made until such decision shall have become effective according to any then governing rules. In the event that a member is terminated for disciplinary reasons, the Society shall notify the State Board of Accountancy when the decision to terminate becomes final under then-applicable rules.

11.5 The following requirements shall apply to any suspension of membership: (1) the member must receive not less than fifteen (15) days' prior written notice of the expulsion or suspension and the reasons therefore; (2) prior to the effective date of the expulsion or suspension, any member who has received notice of expulsion may request a hearing before the board of directors; and (3) upon request, the member shall be permitted to appear before the Board and to present argument and evidence on the member's own behalf at least five (5) days before the effective date of the expulsion or suspension.

ARTICLE XII
AMENDMENTS

12.1 PROPOSALS. Proposals to amend these bylaws may be made by any twenty-five voting members in good standing or by the Board of Directors. Notice of such proposals shall be provided to the members of the Society by the Secretary/Treasurer at least ten days prior to the next regular membership meeting or special meeting.

12.2 ADOPTION. The proposals to amend the bylaws shall become effective if at least two-thirds of the members voting in person or by proxy approve such proposals at a regular membership meeting or at a special meeting specifically called for the purpose of amending the bylaws.

12.3 INTERPRETATION. The Board of Directors shall interpret these bylaws. However, such interpretation shall be superseded if the members, by a two-thirds vote, decide otherwise at a regular meeting or at a special meeting specifically called for this purpose.

Last amended December 8, 2006.