

## POLICY AND PROCEDURE GOVERNING DISSENT FROM EXPENDITURES OF BAR MEMBERSHIP DUES

**POLICY STATEMENT:** The Mecklenburg County Bar (MCB) is a mandatory Bar pursuant to State statute. We are committed to ensuring the mandatory dues paid by our members are used only for permissible expenditures pursuant to State statute. The MCB has funds available from other sources, including net receipts generated by MCB programs such as Continuing Legal Education, as well as funds raised through donations or direct payments by attorneys for specific activities such as participation fees paid by lawyers involved in the softball program. While we recognize there is flexibility available in the expenditure of our funds which do not arise from Bar dues, no such flexibility exists with regard to the expenditure of membership dues. The following dissent procedures are established to allow dues-paying members of the MCB to dissent from expenditure of their dues payments for items which they believe to be impermissible.

### ANNUAL MEMBERSHIP DUES

#### SECTION 1. DEFINITIONS

- A. "Chargeable expenses" of the MCB are defined as those expenses that are necessarily or reasonably incurred for the purpose of regulating the legal profession or improving the quality of legal services provided. A member is required to support chargeable activities of the MCB with payment of the annual membership fee.
- B. "Nonchargeable expenses" are those expenses incurred for activities which are political or ideological in nature and are not reasonably related to the purpose of regulating the legal profession or improving the quality of legal services provided. A member is not required to support non-chargeable activities of the MCB with payment of the annual membership fee.
- C. "Dissenter" refers to a member who disagrees and objects to the MCB's categorizing of an activity as chargeable. "Dissent" refers to the member's objection.

#### SECTION 2. EXPLANATION OF MCB ACTIVITIES

- A. Each year, the MCB shall prepare a brief explanation of MCB activities. The explanation shall be posted in the MCB newsletter in conjunction with the issuance of membership dues invoices.
- B. Each year, the Treasurer, the Executive Director, the Finance Manager and the Finance and Operations committee shall determine the amount of mandatory membership dues budgeted to fund each chargeable activity of the MCB. This procedure shall be accomplished through a Source/Allocation study of each chargeable MCB activity.

#### SECTION 3. PROCEDURE FOR DISSENT

- A. Any member who disagrees with the MCB's explanation of an activity as chargeable may file a written dissent setting forth (a) the dissenter's name,

address, telephone number; (b) the activity that is the subject of the dissent; and (c) the nature of the objection to such activity.

- B. A dissent must be filed with the MCB and directed to the attention of the Executive Director. The dissent must include full payment of the dissenter's annual dues. Each dissent must be received by the Executive Director within thirty (30) days of the mailing of the annual dues notice.
- C. Failure to timely comply with this section shall constitute a waiver of the dissenter's objection and the dissenter's ability to dissent.
- D. Upon timely receipt of a dissent, the MCB shall promptly place in escrow the amount of the dissenter's annual membership dues reasonably attributed to the contested activity. This escrow account shall be non-interest bearing and shall remain in escrow pending a determination of the dissent.
- E. Upon timely receipt of a dissent (or dissents), the MCB shall promptly schedule a meeting which shall be attended by the dissenter(s) and representatives of the Executive Committee and the Finance and Operations Committee of the MCB. The purpose of this meeting shall be an opportunity for the dissenter to explain the dissent and also to provide the MCB an opportunity to provide an explanation of the chargeable purpose of the subject activity. Failure by the dissenter to attend this meeting shall constitute a waiver by the dissenter of his/her dissent.
- F. Following the meeting as provided in paragraph E above, the Executive Committee shall either remit the escrow amount to the dissenter or, if there is still a disagreement, refer the dissent to arbitration. The Executive Committee shall determine whether to consolidate dissents.
- G. Following a decision to arbitrate, the dissenter(s) and the MCB may select and mutually agree to an impartial arbitrator. If no agreement can be reached as to the selection of an arbitrator within 30 days following the decision to arbitrate, the American Arbitration Association shall appoint an arbitrator. The costs of arbitration shall be shared equally by the dissenter and the MCB.
- H. The issue for arbitration shall be whether the dissented from activities are necessarily and reasonably incurred for the purpose of regulating the legal profession or improving the quality of legal services provided. The MCB bears the burden to show the challenged expenses are for activities reasonably employed to effectuate the aforementioned purposes.
- I. The arbitrator shall issue a final decision within thirty (30) days of the arbitration hearing. If the decision is that the expenses were improperly charged, the award shall be a refund to the dissenter of the portion of the membership dues reasonably attributed to the contested activity, and the arbitrator shall have no authority to enter any other relief.
- J. The Arbitration shall be binding upon all parties.

Approved at the May 22, 1996 meeting of the  
Mecklenburg County Bar Executive Committee