

# **Global Advertising Lawyers Alliance, Inc.**

## **Articles of the Alliance**

### ***Article 1 - Formation***

The Alliance shall be known as the Global Advertising Lawyers Alliance, Inc. (“Alliance”). The Alliance may also be designated by the acronym “GALA.”

### ***Article 2 - Name and Domicile***

Until such time as the Full Members decide otherwise by majority vote, the Alliance shall have its domicile and headquarters c/o Hall Dickler Kent Goldstein & Wood LLP, 909 Third Avenue, New York, NY 10022 USA (“Hall Dickler”).

### ***Article 3 - Purposes of the Alliance***

The Members of the Alliance are lawyers with expertise and/or interest in advertising and marketing law, intellectual property, licensing and distribution, and other related areas of legal practice and who have elected to join together as an alliance to exchange ideas and information on the legal and business aspects of national and international legal practice.

A purpose of the Alliance shall not be the rendering of legal advice. Its purposes are to supply information to the Members, their respective clients, and the public. The Alliance’s purposes may also include the release of information to third parties, furnishing information to authorities, bidding for research contracts, organizing meetings and seminars, and commenting on questions raised by any laws or regulations to the extent that any such questions, in their broadest sense, relate to areas of interest to the Alliance.

If an individual who, in the opinion of the Executive Committee, is the principle contact between the Alliance and the law firm with which such individual is affiliated should leave his or her law firm, the Executive Committee reserves the right to decide whether membership shall (a) follow such person, (b) remain with the incumbent law firm, or (c) lapse. If the Executive Committee decides, that the membership shall lapse, it shall be entitled but not obliged to consider fresh applications from the previous individual member, from that person’s new law firm, from the previous incumbent law firm, or from a third party. Alternatively, the Executive Committee shall be entitled not to replace the previous member at all. During its deliberations regarding membership status, the Executive Committee shall be entitled but not obliged to appoint either the previous incumbent law firm or the individual on a temporary basis until such time as the Executive Committee makes a final determination of permanent membership. If a member of the Executive Committee is the member of the Alliance subject to this provision, he or she shall be excused from the deliberations on such membership status.

### ***Article 4 - Full Membership, Associate Membership, Qualifications and Applications***

(1) Full Membership in the Alliance shall be limited to individuals, law firms, or other similar business entities engaged in the outside private practice of law who possess such qualifications as shall be proposed by the Executive Committee and approved by a majority of the Full Members of the Alliance in the Region where the new member will be placed. Such qualifications shall be reviewed and re-approved by a majority of the Full Members at each annual Global Meeting.

(2) Associate Membership shall be limited to individuals (who are not engaged in the outside private practice of law), corporations or other business entities that have an interest in the purposes of the Alliance. An Associate Member will appoint an individual in the full time employment of the Associate Member as its designated representative. The Executive Committee will propose general qualifications and interests appropriate to the purposes of the Alliance that designated representatives of an Associate Member should possess. For adoption, such recommendation of the Executive Committee shall require approval of a majority of the Full Members of the Alliance. An Associate Member may change its designated representative upon written notice to the Executive Director of the Alliance.

(3) Applications for Full or Associate membership shall be processed by the Executive Director in such form as shall be determined by the Executive Committee.

(4) Upon receipt of a completed application for Full or Associate membership, the Executive Director will provide a copy of the application to the Executive Committee. Upon receipt of the application, the Executive Committee will review the applicant and determine if he or she meets the qualifications for the membership status for which such individual applied. If such qualifications for membership are met, the Executive Committee will so inform the Executive Director. The Executive Director shall then, in consultation with the Regional President, distribute the application to the Members of the Region in which the applicant would reside. Such applicant will be deemed admitted to membership by a two-thirds vote of such Region's Full Members.

(5) Full membership shall be restricted to one Full Member in each country represented unless an existing Full Member from a particular country agrees to allow more than one Full Member from its country. A Full Member's decision to allow a second Full Member from its country shall be in the existing Full Member's sole discretion and failure to give consent shall not be considered grounds for removal of such Full Member.

(6) Associate membership may include multiple Associate Members in each country.

#### ***Article 5 - Regions of the Alliance***

The Alliance shall be divided into three regions ("Region(s)"):

(1) the America's Advertising Lawyers Alliance (AALA), which shall be comprised of Members in Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Commonwealth Caribbean, Ecuador, Mexico, Paraguay, Peru, Puerto Rico, United States, Uruguay, and Venezuela and such

other countries as the Full Members from time to time may determine are appropriate for that Region;

(2) the European Advertising Lawyers Association (EALA), which shall be comprised of Members in Austria, Belgium, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Poland, Romania, Spain, Sweden, Switzerland, Turkey and the United Kingdom and such other countries as the Full Members from time to time may determine are appropriate for that Region;

(3) the Asia Pacific Advertising Lawyers Alliance (APALA), which shall be comprised of; Members in Australia, India, Japan, Malaysia, New Zealand, Nigeria, Singapore, South Africa, Taiwan, Thailand, Zimbabwe and such other countries as the Full Members from time to time may determine are appropriate for that Region;

(4) the determination of the Region to which a Member will be aligned shall be determined by the Executive Committee;

(5) the Executive Committee may also, in its discretion, establish other Regions or move a Member to another Region where appropriate and agreed upon by such Member.

#### ***Article 6 - Meetings***

(1) There shall be an annual Global Meeting of the Alliance at such time and location as determined by the Executive Committee in reasonable consultation with the Members.

(2) The agenda for the annual Global Meeting shall be determined by the Executive Director, Global President, and Global President-Elect and the Regional Presidents. The agenda for such meetings will be distributed prior to the meeting to allow Member input on the agenda items. All Global Meeting agenda, however, will include discussion of Alliance finances, marketing initiatives for and by Members, qualifications for membership in the Alliance, and improvements in the Alliance and its service to Members. A quorum for a Global Meeting shall be comprised of at least fifty percent of the dues paying Full Members. Full Members are free to give another Full Member their proxy for purposes of establishing a quorum. To be effective, proxies must be signed, dated, and sent to the Executive Director no later than five business days prior to the Global Meeting.

(3) Each Region will hold at least one Regional Meeting per year at such times and locations as deemed appropriate by the Regional President and Regional President-Elect after reasonable consultation with Regional Members. The Agenda for Regional Meetings shall be determined by the Regional President and Regional President-Elect in consultation with the Executive Director. The agenda for such meetings will be distributed prior to the meeting to allow Regional Member input on the agenda items. All meeting agenda, however, will include discussion of Regional finances, marketing initiatives by and for Regional Members, and improvements in the Alliance and the Region and their respective service to Members. A quorum for a Regional Meeting shall be comprised of at least fifty percent of the dues paying Full Members within the Region. Full Members are free to give another Regional Full Member

their proxy for purposes of establishing a quorum. To be effective, proxies must be signed, dated, and sent to the Executive Director no later than five business days prior to a Regional Meeting.

(4) The Executive Committee and Regional Presidents will use their best efforts to schedule meetings to coincide with other meetings or events which Members will be attending for other business reasons, provided, however, that where such coordination is not possible, the Members hereby agree that it is essential that the Global and Regional Meeting(s) be held each year.

(5) Written minutes shall be taken at all meetings, in a format consistent with that determined by the Executive Committee. Such minutes will be distributed to all Members of the Alliance as quickly as reasonably possible following the meetings.

(6) While attendance is not mandatory at meetings (except with respect to termination of membership for repeated unexcused non-attendance as hereinafter provided), all Members will use their best efforts to attend meetings, acknowledging that such attendance is essential for the growth and vitality of the Alliance.

(7) All expenses of attending meetings shall be the sole responsibility of the Members attending. If the Regional President and Regional President-Elect desire for the Executive Director to attend a regional meeting, the expenses of such attendance shall be borne by the Region members in equal pro-rata share and shall not be paid from the dues of the Alliance.

(8) All meetings will be conducted in English and, unless otherwise provided herein, in accordance with such rules and procedures as a majority of those in attendance should adopt. If a majority cannot agree on a particular rule or procedure, then such rule or procedure shall be determined in accordance with Robert's Rules of Order.

#### ***Article 7 - Term of Alliance***

The Alliance shall be formed to exist indefinitely until such time as two thirds of its members elect to dissolve the Alliance.

#### ***Article 8 - Business Year, Budget and Accounting***

(1) The business year shall commence on January 1 and end on December 31 of each year.

(2) The Executive Director will present a yearly budget to the Full Members on or before November 1 for the next succeeding year. Approval of such budget shall require a majority vote of the Full Members.

(3) The Executive Director will provide the Full Members with quarterly reports on income and spending against the approved budget.

(4) At the annual Global Meeting, the Executive Director will provide Full Members with an unaudited accounting.

### ***Article 9 - Undertakings of the Members***

- (1) The Members undertake to exchange information relating to the purposes of the Alliance in a friendly way and as is usual for colleagues.
- (2) With respect to fee generating inquiries, Full Members undertake to answer any such question raised by any another Member or Members without delay and to inform the enquiring Member or Members immediately in the event no prompt answer is available for the time being for any reason whatsoever.
- (3) With respect to non-fee generating inquiries, the Members undertake to answer any such question raised by any another Member or Members within a reasonable time and to inform the enquiring Member or Members immediately in the event no prompt answer is available for the time being for any reason whatsoever.
- (4) The method and way to be chosen for a reply shall be the technically most favourable and fastest one.
- (5) Each Member undertakes to communicate the concept and idea as well as the existence of the Alliance to any and all third parties (magazines, newspapers, organizations, etc.) in his/her country of domicile.
- (6) The Members undertake to pay their annual membership dues. Dues shall be recommended by the Executive Committee and adopted by a majority of the Members at the annual Global Meeting. Payment of dues shall be made in two instalments of 50% on the fifteenth business day January of each business year and the remaining 50% on the fifteenth business day of April of each business year. The Executive Director will send out invoices for the appropriate amount due no less than thirty days prior to the due date. If cash flow demands dictate a change in the due dates, the Executive Committee reserves the right to accelerate the due dates to meet such cash flow needs.
- (7) In the event of an early withdrawal of a Member or termination of a Member by the Alliance, any dues paid for a business year shall not be refunded.
- (8) With respect to fee generating advice to be rendered by a Full Member to another Member or Member's client, the Full Member rendering the advice and the other Members concerned shall agree in advance regarding the fee to be quoted and billed by said Full Member to another Member or Member's client. Unless otherwise set forth in writing, the referring Member will be responsible for the payment of fees charged by the Full Member to whom a matter was referred (provided that the Full Member to whom the matter was referred has made it clear to the referring Member that it will be rendering a bill for services). The goal of this process is to avoid any misunderstanding regarding liability for payment.

(9) Each Full Member shall be responsible for the quality of their advice given to any other Member or client and such advice shall not be deemed to create any liability by or against the Alliance. Wherever available, Full Members will carry appropriate malpractice insurance.

(10) The Members undertake to make their best efforts to realize the aims set forth in these resolutions.

(11) The ability of Member to respond to a request by Members or via Members' clients, respectively, are to be dealt with immediately and without delay. To aid in this process, the referring Member or Members' client will endeavour to provide a reasonable timetable within which the advice sought is needed. The Member to whom the referral was made shall then immediately inform the referring Member or Members' client of whether the subject matter can be handled within the timetable and whether a fee will be charged (with an estimate where possible).

(12) Where appropriate, Members shall use their best efforts to refer matters to other Members of the Alliance, particularly with respect to areas of interest to the Alliance as provided in these Articles.

#### ***Article 10 - Membership Termination***

(1) A Member's membership may be terminated at the Regional Level if:

(a) a Member, despite written requests served by the Regional President from a Member's Region, consistently fails to meet its obligation hereunder or to answer questions raised by other Members or their clients as required by these Articles, or

(b) a Member fails to inform another Member or its client to whom the offending member has been introduced of their being no longer able to handle a matter previously accepted by such Member.

(c) a Member has acted or failed to act in a manner contrary to the best interest of the Alliance, provided, however, that such offending Member has been notified in writing by the Executive Committee or Regional Officers of its offending actions and fails to justify or cure such offence within thirty days following such notice.

(d) Termination of a Member under this Article 10(1) shall require a two-thirds vote of the Regional Members.

(2) A Member's membership may be terminated at the Global Level if:

(a) a Member fails to attend at least one Global meeting and at least one regional meeting (apart from the regional meeting held at the Global meeting) every two years;

(b) a Member fails to pay its annual membership fee on a timely basis after receiving two warning notices of it being overdue.

(c) Termination under this Article 10(2) shall require a majority vote of the Executive Committee.

### ***Article 11 - Secrecy***

The Members shall be bound to secrecy with respect to any and all data on mutual clients, even upon expiry of membership and with respect to all matters discussed at Regional or Global meetings.

### ***Article 12 - Management***

(1) Management of the Alliance shall consist of the following:

(a) An Executive Director who shall be a full time, salaried individual serving at the pleasure of the Alliance under such terms and conditions as shall be determined by the Executive Committee (as hereinafter defined). The Executive Director shall not have a vote in connection with decisions of the Alliance. Attendance of the Executive Director at Regional or Global meetings of the Alliance shall be at the discretion of the Executive Committee.

(b) Global Officers as follows (all of whom shall be an individual who is a Full Member of the Alliance):

(i) A Global President, who shall be elected by the majority of the Full Members and who shall serve as President for a term of three years;

(ii) A Global President-Elect, who shall be elected by the majority of the Full Members and who shall serve as Global President-Elect for a term of three years. The Global President-Elect will serve a three year term as Global President upon the expiration of the term of the immediately preceding Global President; and

(iii) The Regional Presidents of each Region.

(c) Regional Officers as follows (all of whom shall be an individual who is a Full Member of the Alliance):

(i) A Regional President, who shall be elected by the majority of the Full Members of the Region and who shall serve as Regional President for a term of two years;

(ii) A Regional President-Elect, who shall be elected by the majority of the Full Members of the Region and who shall serve as Regional President-Elect for a term of two years. The Regional President-Elect will serve a two year term as Regional President upon the expiration of the term of the immediately preceding Regional President;

(iii) Such other officers as the Full Members of the Region shall deem appropriate and necessary in connection with the operations of the Region.

(2) The Global President, Global President-Elect, and the Regional Presidents shall constitute the Executive Committee of the Alliance. The Executive Director will serve as a non-voting ex-officio member of the Executive Committee. Unless otherwise provided in these Articles, the day to day operations, policies, and responsibilities of the Executive Director shall be determined by the Executive Committee. Meetings of the Executive Committee shall be scheduled at the discretion of the members thereof.

(3) The goals of the Executive Committee will include growth of the Alliance, establishment of conditions for being a Member of the Alliance, and enhancement of the GALA brand regionally and worldwide.

(4) The Executive Committee shall have the right to establish such other committees as it deems appropriate to support the Global and Regional activities of the Alliance. Members of such committees may be either Full or Associate Members.

(5) Unless the Full Members of the Alliance, by majority vote, decide to grant remuneration for special tasks, Members serving on the Management of the Alliance or on committees established by the Executive Committee shall not receive any remuneration or reimbursement of expenses associated with such service.

(6) Any decisions by the Executive Committee or any committees appointed hereunder that are inconsistent with these Articles of the Alliance shall be deemed null and void ab initio. Where there is an issue as to the compatibility of a decision of the Executive Committee or any committees appointed hereunder and these Articles of the Alliance, the Full Membership, by majority vote, shall resolve such incompatibility.

### ***Article 13 - Resolutions and Voting***

(1) Each Full Member shall have one vote. Associate Members shall not have a vote in the operations or activities of the Alliance.

(2) Any resolutions may be passed by the Full Members in writing, by facsimile transmission, or by any other technical means. They will be recorded by the Executive Director in writing and served upon the Full Members.

(3) Voting on Global Resolutions. Where, in the discretion of the Executive Committee, a resolution will effect the entire Alliance, such resolution must be adopted by a majority of votes of all Full Members of the Alliance.

(4) Voting on Regional Resolutions. Where a resolution effects only a particular Region, such resolution may be adopted by a majority of the Full Members of that particular Region.

(5) Notwithstanding the provisions of Articles 13(3) and 13(4), a two-thirds majority vote of the Full Members shall be required for the adoption of resolutions on amendments to these Articles.

(6) The Executive Committee shall use its best efforts to arrive at decisions by consensus. Where consensus is not possible, decisions of the Executive Committee shall be by majority vote of the Members of the Executive Committee.

***Article 14 - Death, Dissolution or Insolvency of a Member***

The Alliance shall not be dissolved in case of death of a Member, retirement from his/her profession, bankruptcy proceedings, composition proceedings or similar proceedings against the assets of a Member or dissolution of a Member.

***Article 15 - Disputes Among Members***

For any disputes arising between Members or between Members and the Alliance, the parties shall not resort to the courts but shall rather settle them by internal arbitration. In case of disputes between two Members said arbitral tribunal shall consist of two other Full Members to be proposed one each by the parties in dispute and a third Full Member to be selected by lot. Where only one Member is concerned said arbitral tribunal shall consist the Global President, Global President-Elect, and the President of the Region of the Member cited. Should the member cited be any of the Global President, Global President-Elect, and the President of the Region, then the members of the tribunal shall be selected by lot from the other Full Members. Should a Member fail to designate a Member for the arbitral tribunal within fifteen days following notice to do so, the vacancy shall be determined by lot from the Region of the Member who failed to make a designation.

***Article 16 - Intellectual Property***

(1) The Members of the Alliance recognize that Hall Dickler Kent Goldstein & Wood LLP has created and registered certain intellectual property rights related to the Alliance, a schedule of which is attached hereto (the "GALA Intellectual Property"). Such registrations have been made in Hall Dickler's name. It is agreed by and among the members, including Hall Dickler, that the GALA Intellectual Property shall be held in trust by Hall Dickler for the exclusive benefit of the Alliance and that ownership of the GALA Intellectual Property will be transferred to the Alliance or a designee of the Alliance at such time as the Executive Committee of the Alliance shall determine in its discretion. Hall Dickler will execute whatever documents are necessary to accomplish such transfer. While it is held in trust, Hall Dickler will not encumber the GALA Intellectual Property in any manner.

(2) The members of the Alliance recognize that EALA E.E.I.G is the owner of intellectual property rights related to the operations of the European Advertising Lawyers Association, a schedule of which is attached hereto (the "EALA Intellectual Property"). It is agreed by and among the members EALA that the EALA Intellectual Property shall remain the property of EALA E.E.I.G until such time as the Executive Committee of the Alliance and a majority of the members of EALA shall determine, in their discretion, that the EALA Intellectual Property should be transferred to the Alliance. Should such a determination be made that the EALA Intellectual Property should be transferred to the Alliance, the documents necessary to accomplish such transfer shall be executed by the appropriate officer of EALA E.E.I.G. While

owned by EALA E.E.I.G., EALA will not encumber the EALA Intellectual Property in any manner.

Effective January 1, 2003

Text approved and signed by:

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