



Handling Conflicts of Interest

LeTip's Creed and Bylaws state that "Conflicts of interest are disallowed." With respect to LeTip, a conflict of interest refers to members who have categories with competing professional interests. Members sometimes have difficulty clarifying the difference between "perceived" and "true" conflicts of interest. The following examples should help clarify such differences.

A Perceived Conflict of Interest:

This occurs when a member feels that there is a conflict when, in reality, there is no conflict.

Example 1:

The scenario:

A Physical Therapist applies for membership under the Physical Therapy category. The therapist's business card lists several modalities, including Massage Therapy. The chapter already has the Massage Therapy category filled, and therefore it appears there will be a conflict of interest.

The Problem:

Two members offer the same service.

The Solution:

The proposed member can join under the Physical Therapy category, but cannot mention, or promote, his Massage Therapy services to chapter members.

Example 2:

The Scenario:

A chapter has one attorney and this person holds the category for Real Estate Attorney. This individual also provides Estate Planning and Business Law and has mentioned this occasionally during his 30-second commercials. As a result, members have been passing Tips to this member under his original category, and also under the other two categories, as well.

The Problem:

A Business Law Attorney now wants to join the chapter. At his initial visit he was told by a few misinformed members that he can apply for membership, but he won't be approved because the chapter passes all of their legal referrals to the current attorney.

The sponsoring member, who is from a neighboring chapter, has now been placed in a difficult position. She is embarrassed, and the prospective member is disenchanted with LeTip. These misinformed members have now hampered the entire chapter's growth by excluding other attorneys from joining.

The Solution:

Never allow members to speak out of category. Even though the Real Estate Attorney is the only lawyer in the chapter, he should not have been allowed to mention his other capabilities during chapter meetings. He may only speak about his original category, which is Real Estate Attorney. Speaking out of category is against the LeTip Bylaws because it precludes other attorneys from joining.

It is unfair to a proposed member to be voted against because of a "Perceived Conflict." In our chapter, no member is voted upon until they have filled out a category statement, (see last page). This statement is filled out after their first

visit and clarifies the prospective member's goods and services. The chapter's Inspector explores this statement at the time of inspection, and any possible conflicts are acted upon before the actual day of voting. Any member, who has questions regarding the prospective member, must address them before the voting day. In this manner, when a new member is brought up for a vote, all questions relating to possible conflicts will have already been addressed and no questions from the floor are entertained. At the time of voting no one should vote "NO" because of a "Perceived Conflict." All "NO" votes, which do not include names and phone numbers are NOT counted. The chapter president shall call all "NO" votes to determine their validity.

A True Conflict of Interest:

Real conflict occurs when a proposed member asks to hold a category that is "owned" by a current member. In this situation, the proposed member cannot join the chapter, as the LeTip Bylaws clearly state, "Conflicts of Interest are disallowed." Sponsors must inform their guests that the category is filled, and they may not hand out, or distribute, business cards or any written materials, and they may not do a 30-second commercial. They are however, invited to introduce themselves to the chapter and evaluate how any of our members can fill a need they may have.

Commercials and Conflicts:

No member can include in his/her commercial, any goods or services relating to a category held by a current member. To do so would be a violation of the Bylaws and grounds for removal for "Good Cause."

Section 4.5. Good Cause Termination

((b) Any willful failure or refusal to abide by the articles, bylaws, or rules of the chapter.

d) Any willful failure or refusal to abide by the Code of Ethics and the Commitment Article IV Section 4.I.

Testimonials and Conflicts:

Members are free to do business as they see fit with those who have overlapping or cross-over categories but, during a meeting, they may NOT give a testimonial about anyone not owning that category. To do so would be a direct violation of the Bylaws.

Avoiding a true conflict of interest by "Splitting a Category:"

Example 3:

The scenario:

A member holds the category of Mortgage Lender. A proposed member wants to join under Reverse Mortgage. There could be a serious conflict of interest if the new member is approved.

A Possible Solution:

As the current member does not do Reverse Mortgages, she indicates that she is willing to "Split the Category."

To do this, an agreement must be drawn up stating that the current member will handle traditional Mortgages and the proposed member will **only** handle Reverse Mortgages. Each party will only be allowed to promote the category identified in the agreement. Such arrangements will vary, chapter to chapter, and are not automatically adopted by all chapters.

Split Category provision in the By-Laws, Section 3.2.:

(h) Split Categories: Occasionally, a slight overlap of occupations will occur and conflicts of interest become apparent. In case of a conflict, the proposed member must write a letter outlining how they will represent the chapter.

The letter must be approved by the Board of Directors. Copies of the letter must be provided to LeTip International and to the member with whom the conflict overlaps.

It is the responsibility of the President to see that all members are held accountable to the LeTip standards and LeTip Bylaws. (See Section 5.2. President Duties.)



LeTip Category Statement of Intention

Prospective Member's Name: _____

Please state the category you are hoping to fill in our chapter:

What goods or services will you be providing?

Please Note; If there is any overlap of occupations with existing members, you will NOT be allowed to mention such occupation, or hand out literature listing such occupation, or you will be in violation of the Bylaws.

I have read this statement and understand that I must comply with the covenant regarding Conflict of Interests and must agree and comply with the By-Laws of LeTip International.

Signature - Prospective Member

Date

Signature - Membership Chair

Date