

**BYLAWS  
OF  
NEVADA DOCS MEDICAL  
RISK RETENTION GROUP, INC.**

**(A Nevada Captive Insurer)**

**ARTICLE 1  
STOCKHOLDERS; INSUREDS**

**1.01 Initial Shareholders**

The initial shareholders of the Corporation shall be those persons or entities who subscribe to shares of and whose subscriptions are accepted by the Corporation upon its incorporation.

**1.02 Qualifications and Eligibility**

Insureds may include any health care providers or other persons or entities with an insurable interest in such entities that are engaged in any activities similar or related with respect to liabilities arising out of their involvement in providing non-surgical health services who are licensed by a relevant Medical or Osteopathic Medical Board. Insureds shall include only those persons or entities who have an ownership interest in the Corporation and who are provided insurance by the Corporation and are admitted members of Nevada Docs Support Association, Inc, (“the Association”).

To become an insured with the Corporation, the potential insured must meet and satisfy all of the following conditions: (a) each insured must be a shareholder of the Corporation; (b) each insured must be engaged in an activity similar or related to the provision of non-major-surgical health services; (c) they must be exposed to liabilities similar to those of other insureds of the Corporation by virtue of being in a related, similar or common service, or operations; (d) they must qualify under the underwriting criteria of the Corporation for the issuance of a policy of insurance by the Corporation; (e) they must be approved by the Board of Directors of the Corporation (the “Board”); or the Boards designate and (f) they must meet such other conditions as prescribed by the Board.

No insurance coverage shall be provided pursuant to insureds that is not permissible under the Product Liability Risk Retention Act of 1981, (the “Act”), as amended, 15 U.S.C. Section 3901 *et seq.* As required by the Act all the shareholders of the Corporation must be provided insurance by the Corporation and all insureds of the Corporation must be owners.

### **1.03 Termination of Eligibility**

If a shareholder fails to maintain its eligibility as a shareholder as provided herein, or its status as a holder of an insurance policy issued by the Corporation terminates for any reason whatsoever, the status of such shareholder as a shareholder in the Corporation shall terminate immediately, and all shares held by the subject shareholder shall be immediately tendered to the Corporation for repurchase pursuant to section 5.10.

### **1.04 Annual Meetings**

Annual meetings of the stockholders shall be held at such time as may be set by the board of directors (the "Board") of the Corporation from time to time. Except as otherwise provided in Section 2.05 of these Bylaws of the Corporation (these "Bylaws"), at the annual meeting, the stockholders shall elect by vote a board of directors and transact such other business as may properly be brought before the meeting. The stockholders shall hold at least one meeting annually.

### **1.05 Special Meetings**

Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation (the "Articles of Incorporation"), may be called at any time by a majority of the Board by resolution or at the request in writing of stockholders owning a majority of the entire capital stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose of the proposed meeting. Except as otherwise provided by statute, notice of special meetings shall be given in the same manner as set forth in Section 3.01 of these Bylaws.

### **1.06 Place of Meetings**

All annual meetings of the stockholders shall be held at the registered office of the Corporation or at such other place within or without the State of Nevada as designated by the Board, or by the written consent of the majority of all stockholders entitled to vote there at, given either before or after the meeting and filed with the Secretary of the Corporation. Special meetings of the stockholders may be held at such time and place within or without the State of Nevada as shall be stated in the notice of the meeting, or in a duly executed waiver of notice thereof. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

### **1.07 Quorum; Adjourned Meetings**

At any meeting of the shareholders, the holders of a majority of the stock issued and outstanding and entitled to vote there at, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Articles of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

### **1.08 Voting**

Each stockholder of record of the Corporation holding stock which is entitled to vote at this meeting shall be entitled at each meeting of stockholders to one vote for each share of stock standing in such stockholder's name on the books of the Corporation. Upon the demand of any stockholder, the vote for directors and the vote upon any question before the meeting shall be by ballot.

Upon the existence of a quorum at any meeting and unless the statutes or the Articles of Incorporation provide for a different proportion, (a) the election of directors is approved by the vote of the holders of a plurality of the votes cast in person or represented by proxy, and (b) any matter other than the election of directors is approved if the number of votes cast in favor of the matter exceeds the number of votes cast in opposition to the matter.

### **1.09 Proxies**

At any meeting of the stockholders, any stockholder may be represented and vote by a proxy or proxies appointed by an instrument in writing. In connection with solicitation of a proxy, the Corporation shall furnish to its stockholders, in advance of the stockholder meeting, information in writing reasonably adequate to inform the stockholders relative to all matters to be presented by the Corporation for consideration of stockholders at such meeting. The person so solicited shall be furnished with written information reasonably adequate as to the material matters in regard to which the powers so solicited are proposed to be used, and the persons on whose behalf the solicitation is made, and the interest of such persons in relation to such matters. The form of all proxies shall conspicuously state on whose behalf the proxy is solicited, provide for dating the proxy, impartially identify each matter or group of related matters intended to be acted upon, provide means for the principal to instruct the vote of his or her shares as to approval or disapproval of each matter or group, other than election to office, and be legibly printed, with context suitably organized.

In the event that any such instrument in writing shall designate two or more persons to act as proxies, the voting of the shares or other securities that are subject to the proxies shall be as follows: (a) if only one votes, then that one shall have and may exercise all of the powers conferred by such written instrument upon all of the persons so designated unless the instrument shall otherwise provide; (b) if more than one votes, then the majority of such votes binds all of the persons so designated unless the instrument shall otherwise provide; or (c) if more than one votes and the vote is evenly split, then each faction may vote the shares or other securities in question proportionately. No proxy or power of attorney to vote shall be used to vote at a meeting of the stockholders unless it shall have been filed with the secretary of the meeting. All questions regarding the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided by the inspector(s) of election who shall be appointed by the Board, or if not so appointed, then by the presiding officer of the meeting.

### **1.10 Action Without Meeting**

Any action which may be taken by the vote of the stockholders at a meeting may be taken without a meeting if authorized by the written consent of stockholders holding at least a majority of the voting power, unless the provisions of the statutes or of the Articles of Incorporation require a

greater proportion of voting power to authorize such action in which case such greater proportion of written consents shall be required.

### **1.11 Telephonic Meetings**

At any meeting held pursuant to these Bylaws, stockholders may participate by means of a telephonic conference or similar method of communication by which all persons participating in the meeting can hear each other. Participation in such a meeting constitutes presence in person at the meeting.

## **ARTICLE II DIRECTORS**

### **2.01 Management of Corporation**

The business of the Corporation shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders. The duties and powers of the Board shall include all of those responsibilities and authorities granted and available to such captive insurance companies and risk retention groups under the laws of the State of Nevada and under applicable federal law.

### **2.02 Number, Tenure, and Qualifications**

The number of directors which shall constitute the whole Board shall be no less than Three (3), nor more than Five (5) directors. The number of directors may from time to time be increased to no more than Nine (9) by a duly adopted amendment to these Bylaws. It is hereby provided that one director shall always be a representative of the Captive Manager who shall be appointed by the Nevada Docs Support Association, Inc. (the "Association"). The Association shall then be entitled to appoint one half the number of the remaining directors from amongst eligible stockholders. The remaining directors shall be elected at the annual meeting of the stockholders and, except as provided in Section 2.05 of this Article, each director elected shall hold office for a term of one (1) year or until such director's successor is elected and qualified. In general, Directors need not be a stockholder of the Corporation except as provided for above. At least one Director shall be a resident of the State of Nevada.

### **2.03 Definition: Initial Composition of Board**

The Board of directors shall be comprised of Five (5) directors, three of which are nominated and elected by the Association, one (1) of which, shall act on behalf of, and as a representative of the Captive Manager, who is selected and contracted by the Association described in section 2.02. The Two (2) remaining directors shall be selected by the majority of Shareholders of the Company as defined in these Bylaws.

### **2.04 Vacancies; Resignation; Removal of Directors**

Vacancies in the Board, including those caused by an increase in the number of directors, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until such director's successor is

elected at an annual or a special meeting of the stockholders. The holders of no less than two-thirds (2/3) of the outstanding shares of stock entitled to vote may at any time peremptorily terminate the term of office of all or any of the non-association directors by vote at a meeting called for such purpose or by a written statement filed with the Secretary or, in the Secretary's absence, with any other officer. Such removal shall be effective immediately, even if successors are not elected simultaneously.

A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any director(s), or if the authorized number of directors be increased, or if the stockholders fail at any annual or special meeting of stockholders at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

Any director may resign at any time, with or without cause, by giving written notice of resignation to the Chairman of the Board. The Board shall have power to appoint a successor to complete the remainder of the term of a resigning director.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

#### **2.05 Annual and Regular Meetings**

Annual and regular meetings of the Board shall be held at any place within or without the State of Nevada that has been designated from time to time by resolution of the Board or by written consent of all members of the Board, provided that at least one meeting annually shall be held in the State of Nevada. In the absence of such designation, annual and regular meetings shall be held at the registered office of the Corporation. Regular meetings of the Board shall be held with a minimum of three (3) days written notice given to all members of the Board. Board meetings may be conducted telephonically or by other similar method of communication by which all persons participating in the meeting can hear each other.

#### **2.06 Actions of the Initial Board of Directors**

Upon licensing and approval by the Nevada Division of Insurance, the initial Board members shall call for a meeting of the stockholders for purposes of nominating and electing a Board of Directors who shall serve until the next regularly scheduled stockholder meeting, together with an additional period not to exceed thirty (30) days, at which annual meeting the stockholders shall elect a Board pursuant to Section 2.02 of these Bylaws. The term of office for elected directors shall commence on the first day of the month immediately following the month in which the election is held.

#### **2.07 Special Meetings**

Special meetings of the Board may be called by the Chairman, the President, or a majority of the members of the Board.

Written notice of the time and place of special meetings and the purpose of any proposed special meetings shall be delivered personally to each director, or sent to each director by mail or by

other form of written communication, charges prepaid, addressed to him at his address as it is shown upon the records or if not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph Corporation at least three (3) days prior to the time of the holding of the meeting. In case such notice is hand-delivered as above provided, it shall be so delivered at least 24 hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such director.

In the event of an emergency as determined by the Chairman, the President, or a majority of the members of the Board, a special meeting of the Board may be called immediately by the Chairman, the President, or a majority of the members of the Board, provided that all directors of the Board are notified telephonically and provided as much advance notice of the special meeting as possible.

## **2.08 Business of Meetings**

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

In conducting meetings of the Board, the directors shall maintain proper decorum and may adopt whatever rules of procedure are necessary, ethical and expedient for the conducting of Corporation business. In the absence of any such rules, and subject to the provisions contained in these Bylaws, the Board shall refer to Robert's Rules of Order for guidance on procedural matters.

## **2.09 Voting; Quorum; Adjourned Meetings**

Each member of the Board shall have one (1) vote carrying equal weight in all meetings of the Board. A director may assign his or her vote to another by proxy. However, directors may cast their vote by telephone or facsimile transmission. Each member of the Board who accepts the position of director agrees to function as a representative on behalf of all those stockholders who are not elected to the Board and must consider the needs, wishes and desires of those stockholders when making decisions for the Corporation.

Not less than 1/3 (one-third) of the number of directors prescribed by the Articles of Incorporation or these Bylaws shall be necessary to constitute a quorum for the transaction of business, except to (a) amend, alter, repeal or change these Bylaws or (b) to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number be required by law or by the Articles of Incorporation. Any action of a majority, although not at a regularly called meeting, and the record thereof, if assented to in writing by all of the other members of the Board shall be as valid and effective in all respects as if passed by the Board in regular meeting.

To amend, alter, repeal or change these Bylaws, a quorum equal to seventy-five percent (75%) of the directors shall be present to hold a meeting.

A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board. Notice of the time and place of holding an adjourned meeting need not be given to the absent directors if the time and place be fixed at the meeting adjourned.

#### **2.10 Committees**

The Board may, by resolution adopted by a majority of the whole Board, designate from among its members one or more committees of the Board, each committee to consist of at least one or more of the directors of the Corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board in the management of the business and affairs of the Corporation. In addition, the Board may appoint to any such committee ex-officio members as it deems appropriate. Such committee or committees shall have such name or names as may be determined from time to time by the Board. The members of any such committee present at any meeting and not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint another member of the Board to act at the meeting in the place of any absent or disqualified member of the committee. At meetings of such committees, a majority of the members or alternate members shall constitute a quorum for the transaction of business, and the act of a majority of the members or alternate members at any meeting at which there is a quorum shall be the act of the committee.

The committees shall keep regular minutes of their proceedings and report the same to the Board.

#### **2.11 Action Without Meeting**

Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

#### **2.12 Special Compensation**

The directors may be paid their expenses of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore. Members of special or standing committees may be allowed like reimbursement and compensation for attending committee meetings

### **2.13 Reimbursement of Initial Start-up Costs**

At the time of the initial meeting of the Board, or thereafter, at the time of any subsequent special meeting of the Board and/or Shareholders of the company, the Association or the Associations predecessor shall receive reimbursement of any and all reasonable and necessary expenditures made pursuant to and all costs associated with the initial start-up of the company, which shall include, but are not limited to, reimbursement for all statutory filing fees and/or other administrative costs, travel expenses, and attorneys' fees, upon the Association or predecessor production of proof of said expenses.

## **ARTICLE III NOTICES**

### **3.01 Notice of Meetings**

Notices of meetings shall be in writing and signed by the Chairman or President or the Secretary or an Assistant Secretary or by such other person or persons as the directors shall designate. Such notice shall state the purpose or purposes for which the meeting is called and the time and the place, which may be within or without this State, where it is to be held. A copy of such notice shall be either delivered personally to or shall be mailed, postage prepaid, to each stockholder of record entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before such meeting. If mailed, it shall be directed to a stockholder at such stockholder's address as it appears upon the records of the Corporation and upon such mailing of any such notice, the service thereof shall be complete and the time of the notice shall begin to run from the date upon which such notice is deposited in the mail for transmission to such stockholder. Personal delivery of any such notice to any officer of a corporation or association or to any member of a partnership or limited-liability Corporation shall constitute delivery of such notice to such corporation, association, partnership or limited-liability Corporation. In the event of the transfer of stock after delivery of such notice of and prior to the holding of the meeting, it shall not be necessary to deliver or mail notice of the meeting to the transferee. If a stockholder gives no address, notice shall be deemed to have been given to him if sent by mail or other means of written communication addressed to the place where the resident agent of the Corporation is situated, or if published at least once in some newspaper of general circulation in the county where said resident agent is located.

### **3.02 Effect of Irregularly Called Meetings**

Whenever all parties entitled to vote at any meeting, whether of directors or stockholders, consent, either by a writing on the records of the meeting or filed with the Secretary, or by presence at such meeting and oral consent entered on the minutes, or by taking part in the deliberations at such meeting without objection, the doings of such meeting shall be as valid as if had at a meeting regularly called and noticed, and at such meeting any business may be transacted which is not excepted from the written consent or to the consideration of which no objection for want of notice is made at the time, and if any meeting be irregular for want of notice or of such consent, provided a quorum was present at such meeting, the proceedings of said meeting may be ratified and approved and rendered likewise valid and the irregularity or defect therein waived by a writing signed by all parties having the right to vote at such meeting; and such consent or approval of stockholders may be



by proxy or attorney, but all such proxies and powers of attorney must be in writing.

### **3.03 Waiver of Notice**

Whenever any notice whatever is required to be given under the provisions of the statutes, of the Articles of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

## **ARTICLE IV OFFICERS**

### **4.01 Election**

The officers of the Corporation shall be chosen by the Board and shall be a President, a Secretary, a Treasurer and such other officer(s) with such titles and duties as the Board may determine or as the business of the Corporation may require, none of whom need be directors. Any person may hold one or more offices, except that no single person may serve as both President and Secretary. The Board may appoint a Chairman of the Board, Vice-Chairman of the Board, and one or more Vice Presidents.

### **4.02 Chairman of the Board**

The Chairman of the Board shall preside at all meetings of the Board, and shall see that all orders and resolutions of the Board are carried into effect. The Chairman shall perform such other powers and duties as may be from time to time assigned to him by the Board. If no Chairman is appointed, then the President shall perform this function.

### **4.03 President**

Subject to such supervisory powers, if any, as may be given by the Board to the Chairman of the Board, the President shall be the chief operating officer of the Corporation and shall have active management, direction and control of the business of the Corporation. The President shall execute on behalf of the Corporation all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly designated by the Board to some other officer or agent of the Corporation. The President shall preside at all meetings of the stockholders and in the absence of the Chairman of the Board, at all meetings of the Board. The President shall have such other powers and duties as may be prescribed by the Board.

### **4.04 Vice-President**

In the absence or disability of the President shall perform the duties and exercise the powers of the President. The Vice-President shall perform such other duties and have such other powers as the Board may from time to time prescribe. The Board may designate one or more Executive Vice-Presidents or may otherwise specify the order of seniority of the Vice-Presidents. The duties and powers of the President shall descend to the Vice-Presidents in such specified order of seniority.

#### **4.05 Secretary**

The Secretary shall attend all meetings of the Board and all meetings of the stockholders and record the proceedings. The Secretary shall perform like duties for the standing committees when required. The Secretary shall be responsible for the maintenance of the records of the Corporation, and shall keep, or cause to be kept, a book of minutes at the registered office of all meetings of directors and stockholders, setting forth the time and place of each meeting, whether the meeting is regular or special, and if special, how authorized, the manner by which notice was given, the names of those present, the number of shares present or represented at stockholders' meetings and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the registered office in this State, a stock ledger or duplicate stock ledger showing the names of the stockholders, and the number of shares held by each. The Secretary shall also keep at said registered office certified copies of the Articles of Incorporation, as amended, and these Bylaws, as amended. In accordance with NRS 693A.050, the Secretary shall be responsible to ensure that a copy of the Corporation's books, records, documents, accounts and vouchers are kept at the Corporation's principal place of business in such a manner that the Corporation's financial condition could be ascertained. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board required by these Bylaws or by law to be given, and shall keep the seal of the corporation in safe custody. The Secretary shall perform such other duties as may be prescribed by the President or the Board. The Secretary may designate the Corporation's administrator to take record and maintain minutes and other documents on behalf of the Corporation. Upon the absence of the Chairman and the President, the Secretary shall perform their duties.

#### **4.06 Treasurer**

The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the President or the Board, taking proper vouchers for such disbursements, and shall render to the President and the Board, at its regular meetings, or when the Board so requires, an account of all transactions as Treasurer and of the financial condition of the Corporation. The books of accounts shall at all times be open to inspection by a director, and whenever requested by the Board, the Treasurer shall give an account of all of his transactions as such an officer and of the financial condition of the Corporation. The Treasurer shall have such other powers and perform such other duties as may be prescribed by the President or the Board. Upon the absence of the Chairman, President, and Secretary, the Treasurer shall perform their duties.

If required by the Board, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of such person's office and for the restoration to the Corporation, in case of such person's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

#### **4.07 Compensation**

The salaries and compensation of all officers of the Corporation shall be fixed by the Board.

#### **4.08 Removal; Resignation**

The officers of the Corporation shall hold office at the pleasure of the Board. Any officer elected or appointed by the Board may be removed, with or without cause, at any time by a vote of a majority of the Board at any regular or special meeting of the Board. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board.

### **ARTICLE V ISSUANCE AND TRANSFER OF SHARES**

#### **5.01 Certificates**

Share certificates of the Corporation shall be in such form and design as the Board shall determine. The Company may forgo the physical issuance of stock certificates in favor of maintaining share ownership on its corporate stock register. If no certificates are issued, the Company shall notify each stock holder in writing of the date, line entry and Number of shares issued to such stock holder. Each certificate shall state the certificate number and date of issuance, the number designation and class represented by the certificate, the number of shares entitled to vote, the name of the record holder and the name of the Corporation. Every certificate for shares must be signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the designations, preferences and relative, participating, optional or other special rights of the various classes of stock or series thereof and the qualifications, limitations or restrictions of such rights, shall be set forth in full, summarized, or otherwise referred to on the face or back of the certificate which the Corporation shall issue to represent such stock. Unless otherwise modified by the Board, each certificate shall bear the following legend:

**THE SHARES REPRESENTED BY THIS CERTIFICATE ARE ISSUED TO AN INSURED POLICYHOLDER OF THE CORPORATION AND ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE CORPORATION'S BYLAWS AND A SUBSCRIPTION AND SHAREHOLDER AGREEMENT. COPIES OF THE BYLAWS AND THE SUBSCRIPTION AND SHAREHOLDER AGREEMENT WILL BE FURNISHED BY THE CORPORATION TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.**

**PURSUANT TO THE FEDERAL PRODUCT LIABILITY RISK RETENTION ACT OF 1981, AS AMENDED BY THE RISK RETENTION AMENDMENTS OF 1986, THE SHARES REPRESENTED BY THIS CERTIFICATE ARE EXEMPTED FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND STATE SECURITIES LAWS. ACCORDINGLY**

**THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAW. NO TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE MADE (A) EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES LAW OR (B) UNTIL THE CORPORATION HAS BEEN FURNISHED WITH AN OPINION OF COUNSEL FOR THE HOLDER, WHICH OPINION SHALL BE IN FORM AND SUBSTANCE AND FROM COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM THE REGISTRATION PROVISIONS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.**

If a certificate is signed (a) by a transfer agent other than the Corporation or its employees or (b) by a registrar other than the Corporation or its employees, the signatures of the officers of the Corporation may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer before such certificate is issued, such certificate may be issued with the same effect as though the person had not ceased to be such officer.

The seal of the Corporation, or a facsimile thereof, may, but need not be, affixed to certificates of stock.

#### **5.02 Limitation on Issuance of Shares**

The Corporation may issue shares only to those entities which are either: (a) existing shareholders and policyholders of the Corporation; or (b) eligible to become shareholders pursuant to Section 1.02 hereof and who become policyholders of the Corporation concurrently with acquisition of the shares.

#### **5.03 Par Value; No Pre-emptive Rights**

Capital stock shall be issued at not less than par value. The aggregate number of shares which the Corporation shall have authority to issue is One Million (1,000,000) shares designated as "Common Stock," each having a par value of One Dollar (\$1.00). Common stock may only be issued in exchange for cash or to the extent permitted under Nevada law, by letter of credit.

No stockholder shall be entitled as a matter of right to subscribe for or receive additional shares of any class of stock of the Corporation, whether now or hereafter authorized, or any bonds, debentures or other securities convertible into stock, but such additional shares of stock or other securities convertible into stock may be issued or disposed of by the Board of Directors to such persons and on such terms as in its discretion it shall deem advisable.

#### **5.04 Surrendered; Lost or Destroyed Certificates**

The Board may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or the owner's legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

#### **5.05 Replacement Certificates**

Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation, if it is satisfied that all provisions of the laws and regulations applicable to the Corporation regarding transfer and ownership of shares have been complied with, to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

#### **5.06 Record Date**

The Board may fix in advance a date not exceeding sixty (60) days nor less than ten (10) days preceding the date of any meeting of stockholders, or the date for the payment of any distribution, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of and to vote at any such meeting, and any adjournment thereof, or entitled to receive payment of any such distribution, or to give such consent, and in such case, such stockholders, and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to notice of and to vote at such meeting, or any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

#### **5.07 Registered Owner**

The Corporation shall be entitled to recognize the person registered on its books as the owner of shares to be the exclusive owner for all purposes including voting and distribution, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Nevada.

#### **5.08 Additional Issuances of Capital Stock**

Subject to any shareholder agreement and the Articles of Incorporation, and without prejudice to any special rights previously conferred on the holders of any existing shares or class or series of shares, the directors shall have the power to issue any unissued shares of the Corporation on

such terms and conditions as they may determine. Any shares or classes or series of shares may be issued with such preferred, deferred or other special rights or restrictions, whether in regard to dividends, voting, return of capital or otherwise, provided, however, that no shares shall be issued by the Corporation unless such shares are fully paid. The Corporation may by resolution direct that any additional shares be offered at par or at a premium or (subject to the provisions of the NRS) at a discount to all the existing holders of shares of any class or classes or series in proportion to the number of such shares held by them respectively or make any other determination regarding the issuance of new shares as permitted under applicable law.

#### **5.09 Transfer of Shares**

Shares may not be transferred to any other person or entity, but may be redeemed by the Corporation. Any purported transfer of shares, other than to the Corporation shall be null and void.

#### **5.10 Payment for Shares of Withdrawing Shareholder**

- a) Any shareholder in good standing, on not less than thirty (30) days notice to the Corporation, may cancel their insurance and withdraw from Corporation Ownership effective at the end of any Policy Year subject to redemption of the shareholders stock in the Corporation without compensation if the shareholder has been a shareholder in the Corporation for less than 5 years at the time of such notice of cancellation and/or has made a capital contribution to Corporation of \$500.00 (five hundred dollars) or less. If a shareholder has been a shareholder for five (5) years or more at the time of such notice of cancellation and has made the full capital contribution, within two years of the shareholder's effective date of the first Policy Year to the Corporation such shareholder shall receive, with the authorization of the Nevada Department of Insurance receive no less than 80% of their shares Book Value to be paid in equal installments of no less than 50% per year which payments shall begin no less than one (1) year from the date such termination becomes effective, subject to the terms of paragraph e) of this section.
- b) In the event a shareholder's participation in the Corporation is terminated because the shareholder ceases to be eligible for participation, or no longer satisfies the Corporation's underwriting criteria, or the Corporation cancels or refuses to renew such shareholder's policy of insurance at the end of its current Policy Year due to unsatisfactory claim or loss experience, the shareholder so terminated will be entitled to receive the unearned portion of their previously paid Annual Premium. Further, upon the expiration of five (5) years from the date of inception of shareholder's insurance with Corporation, the terminated shareholder shall receive, with the authorization of the Nevada Department of Insurance no less than 80% of their shares Book Value, to be paid in equal installments of 50% per year which payments shall begin no less than one (1) from the date such termination becomes effective, subject to the terms of paragraph e) of this section.
- c) In the event of a shareholder's failure to pay Premiums or purchase required shares, or any installment thereof, or fail to make timely payments to any premium financing

company for thirty (30) days after the due date, the Corporation may terminate the shareholder's insurance and participation in Corporation and such termination shall be treated as a voluntary withdrawal by the shareholder and a voluntary termination of their insurance and participation in Corporation. In such case, the shareholder shall be entitled to receive such amount (under the same payment terms) as the shareholder would have been entitled to receive had the shareholder voluntarily withdrawn, as described in this section, subject to an offset for and Premiums due by such shareholder through the date of their termination and the terms of paragraph e) of this section. If said premium is financed in advance of being fully earned, then only the unearned premium will be refunded to the premium finance company within 30 days.

- d) A shareholder's participation in the Corporation may be terminated if the Corporation cancels or voids its policy because such shareholder submitted a materially fraudulent application for insurance or a materially fraudulent claim. A material representation under this section includes any fact or statement which if disclosed would have changed or eliminated the underwriting of any applicant or altered or eliminated the payment of any claim so materially misrepresented. Such shareholder shall forfeit any and all Stock and Premiums previously paid and shall remain liable for any legal claims of the Corporation for damages caused to it by such acts.
- e) Any distribution payable to former shareholders on termination of participation in Corporation may, at the Corporation's option, be deferred in whole or in part for such period following the date such distributions become payable by the Corporation, as the Board, in its sole discretion, shall establish from time to time; provided, however, that the Board of Directors, in its sole discretion, may avoid any such payments based on its assessment of the financial condition of the Corporation. Unless otherwise determined by the Board, either in general or on a case-by-case basis, any distributions payable to a shareholder on termination of its participation in Corporation are expected to be paid in equal annual installments, without interest, over a period not to exceed two (2) years following the date such distribution becomes payable by the Corporation. Said distributions are further subject to receiving the approval of the Nevada Division of Insurance.
- f) The Corporation may offset any amount owed to the Corporation by a former shareholder against any distributions payable to such former shareholder.

**ARTICLE VI  
OPERATION AND MANAGEMENT OF THE CORPORATION**

**6.01 Banking, Collection and Segregation of Corporation Funds**

The directors shall select a federal or state chartered bank as the depository of the Corporation's funds. The directors shall establish checking accounts as needed to properly manage the Corporation's funds. The directors shall approve and select a Corporation administrator to collect all premiums on behalf of the Corporation. All checks must be countersigned by one of the non-captive manager directors. The directors will determine the means of controls for the disbursement of funds by check for instances where one of these directors is not immediately available to countersign check.

**6.02 Surplus of Corporation Funds**

Surplus is that portion of each premium paid by a stockholder or other insured that remains in the Corporation's combined fiscal year funds in excess of amounts necessary to pay:

1. The Corporation's overall obligations and administrative expenses;
2. Current claims;
3. Reasonably reserved future claims with such additional reserves as the actuaries, auditors or regulators may deem necessary and prudent to provide for contingencies; and
4. At the discretion of the Board, dividends paid to the stockholders in accordance with a formula adopted by the Board after obtaining the approval of the Nevada Insurance Commission.

**6.03 Minimum Capital and Surplus**

In the event that the Corporation fails to comply with statutory minimum capital and surplus requirements, such matters shall be reported to the Nevada Insurance Commissioner immediately as soon as the Corporation is made aware of the failure to comply.

**6.04 Investment of Corporation Funds**

Funds shall be invested on behalf of the Corporation as required by the laws of the State of Nevada and applicable Federal law. The Corporation's investment philosophy shall be supervised and reviewed by the Corporation's directors, auditors, attorneys, bankers and investment counselors.

**6.05 Protection of Corporation Funds**

The Corporation may protect its funds by purchasing excess insurance or reinsurance to limit exposure to losses in the amount and limits as shall be required by the appropriate regulatory authorities and/or prudent management practice. The Corporation may also purchase such surety bonds, fidelity bonds or letters of credit in the amount and limits as shall be required by the appropriate regulatory authorities.

**6.06 Administration**

The directors shall employ such third-party administrators and such service providers as may be appropriate and lawful to assure proper management of the day-to-day operations of the



Corporation. This would include, but not be limited to, a Captive Manager, a Policy Administrator, a Claims Administrator, and a legal advisor, each of whom shall be retained pursuant to contract with the Corporation. It is permissible for one entity to serve more than one such function with the permission of the Board.

## **ARTICLE VII GENERAL PROVISIONS**

### **7.01 Registered Office**

The registered office and principal office of the Corporation shall be in the County of Clark, State of Nevada. The books and records of the Corporation shall be maintained at the principal office.

The Corporation may also have offices at such other places both within and without the State of Nevada as the Board may from time to time determine or the business of the Corporation may require.

### **7.02 Distribution**

Distribution upon the capital stock of the Corporation, subject to the provisions of the Articles of Incorporation, approval by the Nevada Division of Insurance and applicable law, may be declared by the Board at any regular or special meeting. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the Articles of Incorporation and applicable law. In no instance will distributions be paid without obtaining the prior approval of the Nevada Insurance Commissioner.

### **7.03 Reserves**

Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends or for repairing or maintaining any property of the Corporation or for such other purpose as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

### **7.04 Checks; Notes**

All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

### **7.05 Fiscal Year**

The fiscal year of the Corporation shall be a calendar year.

#### **7.06 Corporate Seal**

The Corporation may have a corporate seal, as may from time to time be determined by resolution of the Board. If a corporate seal is adopted, it shall have inscribed thereon the name of the Corporation and the words "Corporate Seal" and "Nevada". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

#### **7.07 Accounting Method**

The Corporation shall use the accrual method of accounting in accordance with generally accepted accounting principals and any other applicable state or federal regulations.

#### **7.08 Right of Offset**

The Corporation may deduct from any dividend, distribution, or other moneys payable to an insured by the Corporation, all sums of money presently due and owing to the Corporation by the insured on account of any unpaid or delinquent premiums or any other obligation due.

### **ARTICLE VIII INDEMNIFICATION**

#### **8.01 Indemnification of Officers and Directors, Employees and Other Persons**

Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person or a person of whom that person is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation or for its benefit as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith. The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that such person is not entitled to be indemnified by the Corporation. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article.

#### **8.02 Insurance**

The Board may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred

in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

**8.03 Further Bylaws**

The Board may from time to time adopt further Bylaws with respect to indemnification and may amend these and such Bylaws to provide at all times the fullest indemnification permitted by the laws of the State of Nevada and applicable Federal law.

**ARTICLE IX  
AMENDMENTS**

**9.01 Amendments by Stockholders**

These Bylaws may be amended by a majority vote of all the stock issued and outstanding and entitled to vote for the election of directors.

## CERTIFICATE OF SECRETARY

I hereby certify that I am the Secretary of Nevada Docs Medical Risk Retention Group, Inc., a Nevada corporation, and that the foregoing Bylaws, consisting of 20 pages, constitute the code of Bylaws of Nevada Docs Medical Risk Retention Group, Inc. as duly amended by the Shareholders of the Corporation on November 12, 2009.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 1st day of December, 2009.

  
\_\_\_\_\_  
*Teresa Matthews, Secretary*