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## Board has inherent power to suspend club members

The board of directors of a nonprofit sportsmen's club has inherent power to suspend an uncooperative member, even where the member has survived a membership vote to dismiss him, the Pennsylvania Commonwealth Court has held.

It has affirmed a trial court decision affirming the member's suspension and later expulsion when he failed to properly renew his membership.

John Mark Muller was membership secretary and procurement officer of the Northern Chester County Sportsmen's Club when he began to buy items and cancel contracts without board approval and in some cases in direct opposition to instructions in 2014. He claimed he had authority to do what he saw fit because he was "running the club."

The board then met with Muller, suspended him as a member and voted to recommend his expulsion by the membership. It directed Muller to return all of his membership records and other materials to the organization. The members voted 87-84 to expel Muller, but it was not effective because it was not a two-thirds vote.

The club filed a suit to obtain return of the materials and an injunction to stop Muller from holding himself out as a member or officer of the club. Muller paid his dues for 2014-2015, but failed to pay for 2015-2016. After a bylaw change while he was suspended and the litigation was pending, he failed to comply the new procedures. After a hearing, the trial court found in favor of the club, including a ruling that Muller was no longer a member.

On appeal, Muller argued that the board had no authority to suspend him from his membership rights. The Court said that the bylaws did provide for expulsion, but did not contain any provisions about suspension. And while the state Nonprofit Corporation Law limits expulsion in the absence of a bylaw, it does not prohibit or restrict suspension in the absence of a bylaw. The Court also said that a nonprofit corporation is not restricted to taking only those actions specifically set forth in its articles of incorporation or bylaws.

The Court said that the statute gives directors the power to conduct the corporation's business and to exercise all of the powers and means appropriate to effect the purpose of the corporation. It therefore had the power to suspend the member, "notwithstanding the

absence of specific authorization in the club's bylaws.”

Muller argued that the suspension amounted a de facto expulsion in violation of the limitation on termination. The Court disagreed. It was not a permanent termination, the Court said, and lasted only while he refused to return all of the club's records and property.

The Court also rejected Muller's claim that he did not receive notice of the bylaw amendment that made his removal easier to accomplish. Since notice was required only for members “entitled to vote” and since he was not in good standing and not entitled to vote, he was not entitled to notice, the Court ruled. And since he had not complied with the new bylaws on renewal of membership, he was no longer a member. (*Northern Chester County Sportsmen's Club v Muller*, Commonwealth Ct., PA, No. 1933 C.D. 2016, 11/21/17.)