

TAO:sa

#6570

1/4/83

FROM: Office of Legal Services

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Subject: [], Proposal to "appoint" FCU's CEO to Board

1. This responds to your memo of December 21, 1982, in which you informed us of your opinion that the plan of the subject FCU to elect eight directors and reserve the ninth slot for the CEO of the FCU was precluded by the Federal Credit Union Act.

2. We agree with your opinion. Section 111 of the Federal Credit Union Act is specific

In stating that "all" of the board members are "to be elected" . . . by and from the members. . . ." This portion of the Act was not amended by the Garn-St. Germain

Depository Institutions Act.

3. Please advise the FCU that Its proposal is specifically precluded by Section 111 of the Federal Credit Union Act

JOHN L. OSTBY

General Counsel

By: TODD A. OKUN

Assistant General Counsel

cc: All Regional Directors