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SSIC 3212

91-0110

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FROM: Hattie M. Ulan, Associate General Counsel

SUBJ: [] Nonstandard Bylaw Amendment

(Your December 6, 1990, Memo)

DATE: January 22, 1991

we apologize for the delay in our response but we did not receive your memo until January 15, 1991. You have asked for comment on [] (FCU)

nonstandard bylaw request to stagger the terms of office for its directors. We have no legal objection to granting the revised amendment.

ANALYSIS

The FCU wants to change the terms of its nine directors from two years to three years, and have three of its directors for election every year. To accomplish this change the FCU proposed a nonstandard bylaw amendment to Article VII, Section 2 of its bylaws. To provide further clarification and have the nonstandard amendment more closely match the standard wording, you have suggested to the FCU the following language:

Regular terms of office for directors shall be for periods of 3 years and until the election and qualification of successors. The regular terms shall be so fixed at the beginning, or upon any increase or decrease in the number of directors, that approximately an equal number of regular terms shall expire at each annual meeting. Of the 5 directors to be elected in 1991, 3 shall be elected for a period of 3 years, and 2 shall be elected for a period of 2 years. Of the 4 directors to be elected in 1992, 1 shall be elected for a period of 1 year, and 3 shall be elected for a period of 3 years.

The language of this revised amendment is consistent with our December 11, 1989 legal opinion (see attached memo). You are inclined to approve this revised nonstandard bylaw amendment. We have no legal objection.

Attachment