

GC/MFR:bhs

SSIC 6100

95-1122

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FROM: Richard S. Schulman, Associate General Counsel

SUBJ: Nonstandard Bylaw Amendment - []

(Your November 9, 1995, Memorandum)

DATE: December 6, 1995

You have asked for our comments on [] proposed amendment to Article VIII,

Section 7 of the FCU Bylaws. The amendment would allow only the CEO to serve a board member and employee. The proposed amendment would relax the total prohibition on employees serving as board members that is a standard bylaw amendment to Article VIII, Section 7.

As [] noted, there is some confusion regarding the title of the individual for whom the exception is being made. In order to avoid internal control problems, the FCU needs to clarify whether the individual is the manager or the CEO and then be consistent in its use of the title.

We have no legal objection to the proposal.