

GC/MFR:bhs
SSIC 3000
02-0907

TO:

FROM: Sheila A. Albin, Associate General Counsel

SUBJ: Nonstandard Bylaw amendment

DATE:

You have asked for our concurrence on proposed bylaw amendments to: Article IV, Section 3 to decrease the number of signatures required for a special meeting from 500 to 200; and Article V to combine voting options A3 and A4 to provide for more methods of voting. Federal Credit Union (FCU) Bylaws, Article IV, Section 3; Article V. We have no legal concerns with either proposal but, as explained below, suggest some changes to the wording of proposed Article V.

As currently worded, proposed Article V allows the FCU to decide which voting options it will make available to its members for an election. It states in Section 2 that “[t]he election will be conducted by electronic device, ballot boxes, voting machine or mail ballot.” Since the intent of this revision is to allow the members the option of voting by either the methods in A3 ballot box or voting machine, or the methods in A4 electronic device or mail ballot these, we suggest the following language: “The election will be conducted by electronic device or mail ballot and ballot boxes or voting machine.” The mailing requirements for the A3 ballot box/voting machine option are different than the mailing requirements for the A4 electronic device/mail ballot option. A3 is 10 days before the annual meeting and A4 is 30 days before the annual meeting. Since the FCU will only want to send one mailing, we suggest just using the 30-day time frame. The recently approved nonstandard amendment for [] Federal Credit Union provides a good model for consolidating voting options. Please contact Staff Attorney Mary Rupp to discuss the exact wording of the proposed amendment.