

GC/MFR:bhs
SSIC 3000
02-1125

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 V, Sections 2(c)(5) and (d)(8) that will change the deadline for voting from 5 days prior to the annual meeting to a date selected by the credit union. Federal Credit Union (FCU) Bylaws, Article V, Sections 2(c)(5) and (d)(8). We have no legal concerns with increasing the 5 days but suggest there be some limit on the amount of time between the close of voting and the annual meeting.

Currently, Article V Option 4 of the standard bylaws requires ballots be mailed to the members at least 30 days prior to the annual meeting and that the ballots be returned to the credit union no later than 5 days prior to the annual meeting. Article V, Section 2(b), (c)(5) and (d)(8). This gives the members a minimum of 25 days to vote. Under the proposal, the members will have a minimum of 30 days to vote and voting can't be closed later than 5 days prior to the annual meeting. We have no legal concern with extending the time between the close of voting and the annual meeting since the proposal guarantees the members a minimum of 30 days to vote; however, we are concerned that there is no limit in the proposal on the amount of time that it can be extended. Also, we believe Sections 2(c)(4) and 2(d)(7) must be amended so that all of the times correspond.

In order to accomplish the FCU's goal of allowing more time to count the ballots, while maintaining some proximity between the voting deadline and the annual meeting, we suggest the bylaws be amended as follows: Sections 2(b), (c)(4) and (d)(7) all be amended by adding 15 days to the current deadline. This means that the tellers must mail the ballots at least 45 days prior to the annual meeting and the ballots must be returned to the credit union no later than 20 days prior to the annual meeting.