

GC/MRS:sg

SSIC 6100

93-0835

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FROM: James J. Engel, Deputy General Counsel

SUBJ: Nonstandard Bylaw Amendment - []

(Your August 17, 1993, Memorandum)

DATE: September 16, 1993

You asked for our opinion on a Proposed nonstandard bylaw amendment submitted by []. The proposed amendment would permit the FCU's Board of directors to hold either audio (telephone) or video board meetings.

The proposed bylaw is almost identical to the standard amendment for Article VIII, Section 4, providing for conference telephone call board meetings under certain circumstances. The only way in which the proposal varies from the standard amendment is that it replaces the words "telephone conference call" with "audio or video conference" in three places.

The proposed amendment does not violate the FCU Act or the Regulations. The standard amendment already permits FCU boards to hold meetings when the directors are in different geographic locations. The proposal simply enables participants in such meetings to see each other. It seems to be a logical extension of the standard amendment. The proposed bylaw is consistent with the standard amendment's stated purpose of "permitt[ing] greater participation of members in the management of the credit union where the field of membership includes persons not in the same general locality." Furthermore, we believe that having the directors visible to each other would enhance, rather than detract from, the quality of the meeting. We have no objection to the proposed amendment.

We note that the proposed amendment uses the phrase "audio or video conference,, in two places, and the words "audio or video conferencing" in one place. The three references should be made consistent with one another.