



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

March 23, 1990

Office of General Counsel

Mr. Leonard Rosenberg
28 Scarsdale Drive
Livingston, N.J. 07039

Re: AT&T Employees Federal Credit Union (Your February
2, 1990, Letter)

Dear Mr. Rosenberg:

You have asked us for a clarification of the bylaws as they relate to the election of the Board of Directors at the AT&T Employees Federal Credit Union ("FCU").

BACKGROUND

In 1989, the FCU improperly scheduled an annual meeting in which two vacancies for the board of directors were to be filled by election. You submitted a proper nomination petition twenty-three days before the annual meeting. The FCU then changed its bylaws to reduce the number of directors so that the election was no longer necessary. The FCU contends that, even if an election was held, the petitions would have been invalid because they were submitted beyond the "at least 40 days prior to the annual meeting" requirement of the bylaws.

The annual meeting for 1990 will be scheduled shortly and there are three vacancies on the board of directors. You would like to submit the previously submitted petition for the upcoming election. The FCU has informed you that the previously submitted petition is invalid for the 1990 elections.

ANALYSIS

As you well know, there is nothing in the FCU Act or NCUA Rules and Regulations that controls in this situation. General corporate law is also silent on this issue. We have not researched New Jersey law. It is our opinion, under these specific facts,

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VOL. III, Part A, 2 Elections
Part 7, Bylaws

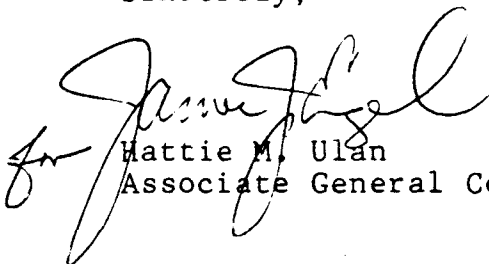
Mr. Leonard Rosenberg
March 23, 1990
Page 2

that, since there was no election in 1989, the petitions are valid for the next election. There is no penalty for being early with the petition. In addition, the language of the petition supports this interpretation. The petition states that "this petition will continue to represent our nomination for future openings, in the event that said nominee either seeks election or reelection to the Board." As long as the signatories to the petition are still members of the FCU, we would view the petition as valid for the 1990 elections. This seems to be the fair result, especially in light of last year's cancelled election.

Please understand that the foregoing merely represents an interpretation of your credit union's bylaws. Our interpretation has limited weight and must be distinguished from our interpretations of statute or regulation. Bylaws function as a contract which governs the relationship between the credit union and its members, and disputes over the meaning of its provisions such as the present one should be resolved in another forum.

I must emphasize to you that the NCUA will not at this time become involved in this dispute. It is neither a court of law nor an arbitrator. The parties must seek to resolve this dispute among themselves.

Sincerely,


for Hattie M. Ulan
Associate General Counsel

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