

**Jordan, Sheron**

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**From:** \_Regulatory Comments  
**Sent:** Thursday, May 03, 2007 8:27 AM  
**To:** Jordan, Sheron  
**Subject:** FW: Proposed Rule: Member Inspection of Credit Union Books, Records and Minutes 701.3

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**From:** Chuck Garner [mailto:ChuckG@ofcu.com]  
**Sent:** Wednesday, May 02, 2007 3:10 PM  
**To:** \_Regulatory Comments  
**Subject:** Proposed Rule: Member Inspection of Credit Union Books, Records and Minutes 701.3

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Though this proposal sounds good on the surface, upon further analysis, this proposed rule goes much too far and would cause more harm than good.

**The first problem is the scope of what 'books and records' includes**

As currently written it would include 'personal' information about management that should not be public information such as resumes, reference letters and applications along with employment agreements. Any employer may not reveal such information about any employee so it should not reveal such information about management as well. Minutes may include confidential information about employees, disciplinary action, litigation, etc., all of which should not be disclosed.

Other records would include business plans, strategies, and trade secrets. It appears that even vendor contracts may have to be revealed—all which have non-disclosure requirements. As proposed it would be very easy for a bank or another credit union to acquire business plans and trade secrets in order to utilize in a buyout or takeover attempt or for a bank to use against a particular credit union or the industry to push unfavorable legislation. The public and competition should not have access to business plans, expansion or retraction plans, member surveys, pay scales and trade secrets. Allowing access to this will do more harm than good.

**A major problem with distribution of information**

The proposal states that members may not 'sell' the information. They certainly will copy such information and distribute it! Again it would be easy for competitor credit unions and banks to acquire the information.

**Dispute Resolution Very Problematic**

The proposal does not allow for 'independent parties' for resolution over disputes about requested information. If any request goes beyond the actual minutes of a meeting and/or if lines are crossed out, there will be disputes. NCUA does not appear to be independent in such issues! In addition, the proposal does not allow for any type of appeal process should there be a dispute with a Regional Director's decision.

**Proposal needs to be scrapped**

This entire proposal only opens the door to increased costs for credit unions and opens the door to many more legal disputes. This process will be used mostly by two types of groups, minority dissident member groups and competitors. This poses many undue dangers for the survival of credit unions than any small amount of good that is being attempted. If the intention is to make available more information to members, then go back to the drawing board and write a proposal that does that without opening the door to our competitors and to a greater potential of huge legal fees.

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