

Jordan, Sheron

From: _Regulatory Comments
Sent: Monday, August 13, 2007 7:57 AM
To: Jordan, Sheron
Subject: FW: Proposed adoption of Bylaw Regulation

From: Robtice2@aol.com [mailto:Robtice2@aol.com]
Sent: Friday, August 10, 2007 4:33 PM
To: _Regulatory Comments
Subject: Proposed adoption of Bylaw Regulation

August 10, 2007

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Subject: Proposed Rule: Adoption of bylaw enforcement by NCUA

Dear Ms. Rupp

It must be noted that the only opposition seems to come from the people employed by the credit unions and in position to profit from violations of the bylaws. The concept that they fear enforcement of bylaws tells you a lot about them and their views toward CU governance.

I was a member of Columbia Community Credit Union in Vancouver, Washington when the Board illegally promoted and attempted to convert to a mutual bank. It required the intervention of the local Superior Court to force them to allow the Special Membership Meeting and to conduct a fair and unbiased annual election. Due to the inaction and improper actions of the local government agencies, we are again in trouble.

The Board is again entrenched, nominating essentially only themselves for office, and expelling any and all who opposed their dictatorship. I was personally expelled from Columbia for demanding they obey the bylaws, conform to state law, and tell the truth.

The Board can now legally expel anyone for any subjective reason they want as they modified the bylaws to include the ability to expel for any reason they see as "inimical" to the credit union, with no restrictions.

Our local Department of Financial Institutions, run by Scott Jarvis, with Linda Jekel running the Division of Credit Unions (DCU), has become impossible to deal with. The DCU, for instance, has ruled that a CU Board can change the bylaws and does not have to inform the members, even though the member must obey the unknown bylaw changes. Columbia's bylaws have a provision that they may not change the election requirements with 120 days of the election. But they can change them 121 days

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before, never tell the members, and on the day of the election, spring the changes on them.

The DFI has ruled that it is acceptable to provide one set of voting instructions to the general membership and another set of instructions provided secretly to the employees, in order to allow the employee vote to control the outcome of elections.

The DFI thinks it is fine for the Board to forbid any member to bring new business to the floor at annual meetings.

The DFI/DCU says it cannot force the Board to tell the truth to the owner/members.

The DFI thinks all this is just dandy. My list of insane DFI/DCU positions currently number 11, each of which will be litigated here in Washington courts because there is no other way to force sanity back into our governance.

It is imperative that NCUA restore bylaws to their list of responsibilities. With the various states refusing to enforce their own laws, there are no reasonable ways for members to assert their rights. Most people cannot afford the time and money to litigate against multi-million and even billion dollar organizations on governance questions. It is difficult to even get the courts to order the CU to pay the costs of the litigation, even when the CU is found at fault.

The intent of CU is to benefit the citizen/owner/members. There is no question that NCUA adoption of bylaw enforcement will benefit the those parties, and failure will certainly eventually harm them.

When examined, not one opposing view has validity. In general, they either claim the authority of governance of a Board should be absolute, (yet history shows that view to be bankrupt, leading to the loss of the credit unions to the greedy and almost criminal “converters”.) Or they all claim they fear over-regulation, but cant really explain why that fear is valid. If anything, these credit unions should be fearing a lack of effective regulation, evidenced by the spate of semi-criminal conversion of billion dollar credit unions into profit making money pots for the Board and elite of the credit union, and outside speculators.

Please support the credit union owner/members. Adopt bylaw enforcement and protect us from abuse.

Thank you for your consideration of these comments.

Robert Tice

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