

February 25, 1991

Theresa N. Timmons
American Chemical Society Federal Credit Union
2540 Olentangy River Rd.
P.O. Box 3012
Columbus, Ohio 43210

Re: Conference Telephone Call Meetings (Your January 30, 1991, Letter)

Dear Ms. Timmons:

You have asked for a clarification concerning the standard FCU bylaw amendment permitting conference telephone call meetings of the board of directors.

BACKGROUND

The American Chemical Society Federal Credit Union (FCU) has a nine member board of directors that is divided between two geographic locations. Five members of the board are located in Columbus, Ohio and four members are located in Washington, D.C. The board sets the time and place for the monthly meetings. Board members meet in conference rooms located in Washington and Columbus for the monthly meetings. During the meeting the two conference rooms are linked by speakerphone. The board meets in one geographic location only once a year for planning purposes.

ANALYSIS

Article VII, Section 4 of the Standard FCU Bylaws governs board meetings. Under the standard bylaw, board members must physically be in attendance at meetings. However, the standard amendment to Article VII, Section 4 set forth in the Standard FCU Bylaw Amendments and Guidelines provides for conference call telephone meetings as an alternative to regular meetings. In the explanatory language preceding the standard wording of the bylaw amendment, a conference telephone call board meeting is defined as "one where all the board members are on the line at the same time." The definition does not mean each individual board member must be at a separate location. It only means that every board member must be able to hear and communicate with all the other board members through some telephonic device. A speakerphone linking the two locations satisfies this requirement. From the tone of your letter we assume that you have already adopted the standard bylaw amendment providing for conference call telephone meetings. The second paragraph of this bylaw amendment sets forth the criteria for replacing regular meetings with conference telephone call meetings. It states in part: A regular meeting of the board as described in the above paragraph may be replaced by a conference call telephone meeting if the following conditions are met:

- (a) The board must be sufficiently geographically dispersed so that the holding of a regular meeting is impracticable;
- (b) A regular meeting must be convened, at a minimum, once each calendar quarter;

It seems that your board has not satisfied the requirement to hold one regular meeting each quarter since the board holds only an annual regular meeting. You suggest satisfying this requirement by holding the quarterly regular meeting in Columbus. The directors in Washington, D.C. would be excluded from participating in these meetings. Such drastic action is neither necessary nor in the best interests of the FCU. Instead, because of your board's unique situation, we recommend adoption of a nonstandard bylaw

amendment requiring only one regular meeting per year and the replacement of the remaining three regular meetings with conference telephone call meetings. The exact language of any such amendment is left to your discretion, subject to your Regional Director's approval.

In the event that your board desires to adopt a nonstandard bylaw amendment as outlined above, the amendment must be submitted to and approved by your Regional Director before it can be effectuated. We suggest you model your nonstandard amendment after the standard one, with a modification to the quarterly regular meeting requirement. Instructions for adopting nonstandard bylaw amendments can be found at Part I, page v of the Standard Bylaw Amendments and Guidelines.

Sincerely,

HATTIE M. ULAN
Associate General Counsel

GC/MM:sg
SSIC 3701
91-0210