

Linda,

I know I'm late with this, but did want to provide a little feedback from Brian and myself.

- 1) In section (2)(b), I would delete the phrase "including document requirements" from subsections (i) and (ii). The board's policies and procedures hopefully require documentation, but I don't think we should get into what those policies must contain in this rule. (And in some cases, a "document" might not be required – i.e. for tips or for meals under a certain amount, etc.)
- 2) In section (2)(c), I suggest that the insurance not be "related" to indemnification; sometimes director liability coverage is based on particular conditions and exclusions but is not contingent on the credit union's indemnification obligation (for instance a credit union may have "permissive" obligation in its bylaws and may choose not to indemnify in a specific case, but the insurance coverage for the director would still be there. I might change this to "payment for insurance related to director or supervisory committee member liability."
- 3) In section (4), two changes: a) I think it should be "compensation paid by organizations;" and b) rather than "geographic location" I might suggest "market conditions" or something similar. First, credit unions in Washington may well look to credit unions in other states for examples of what is paid to board members. While a single office CU in a small town in central Washington might not appropriately compare with the same size CU in Los Angeles, CA it might well compare with a similar credit union in Yreka, CA. And a large credit union with branches across the state (or a FOM spread across the country) might need to look at credit unions in any number of other geographic locations to find a good comparison.

I don't know if you want to include this in the rule, but I assume that the rule would not cover persons in positions such as "director emeritus" or similar positions. Only currently serving directors are covered.

Those are our thoughts. Thanks,

Hal

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