



P.A.L.A.N.T.E.

People Against Landlord Abuse & Tenant Exploitation

Election Package for HDFCs




Table of Contents

- Preparing for Elections.....3
- Shareholders Calling Special Meeting.....4
- Annual Election Notice.....5
- Special Meeting Notice.....6
- Affidavit of Meeting Notice.....7
- How to Call an Election Meeting.....8
- Shareholder’s Proxy Form.....9
- Tips on Reaching Quorum.....10
- Election Ballot.....11
- Attendance Sheet.....12
- Checklist for “Ballot Received” 13
- Nominations & New Board Members List.....14
- New Board of Directors List.....14
- Banking Resolution.....15
- Sample Minutes..... 16

Preparing for Elections

Purpose: To assist in the transferring of documents and information from one Board to the other. As you know, ousted Board of Directors can sometimes make the transition very difficult, if not impossible. As a result, the following guidelines ought to help in eliminating or minimizing the problem.

Method: A few days prior to the election, reach out to P.A.'L.A.N.T.E. Harlem and have an assigned housing specialist request the following to be available at the election meeting:

- ✓ Checkbook**
- ✓ Maintenance/Rent Roll**
- ✓ Accounts Payable
- ✓ Deed
- ✓ Certificate of Incorporation
- ✓ Corporate Seal
- ✓ Copies of Proprietary Leases
- ✓ Any Existing Contract
- ✓ List of Contractors and Professionals

*****Both the Check Book and the Maintenance/Rent Roll must be available at the election meeting.***

Materials: For any elections, the following should be at the site for the prospective monitoring agent or organization like P.A.'L.A.N.T.E. Harlem:

- ✓ Election Package
- ✓ Masking Tape
- ✓ Easel Paper
- ✓ Pencil/Pens

Follow-Up: After the elections, all documents must be passed over to the New Board of Directors. The New Board should write up the election's meeting minutes and write up a Resolution declaring the New Board of Directors. The Board (not the Shareholders) decides who the officers/Directors are (President, Vice President, Treasurer and Secretary). The new officers go to the bank with the new Board Resolution (see page 13) and change the signatories on the bankcard. Distribute copies of the Resolution to all Shareholders.

Shareholders Calling Special Meetings

New York State Business Corporation Law ('BCL') Article 6: Sections: 602, 603 and 605

Most HDFC By-Laws allow the Board of Directors OR ten percent (10%) of Shareholders to call Shareholder Meetings.

Purpose: Generally, to amend By-Laws or Proprietary Lease or to remove Directors. Special meetings are not supposed to be used to re-consider actions the Board has taken (ex. maintenance increase, repairs decision, etc.)

CONCERNED SHAREHOLDERS SHOULD SEEK LEGAL ADVICE BEFORE PROCEEDING.

Method: Notice of the Special Meeting must state the purpose of the meeting (see page 6). It must be given not less than ten (10) days nor more than sixty (60) days before the meeting (unless it is delayed election meeting as described below).

The notice may be written or electronic. If mailed, the notice is considered "given" when it is deposited in the U.S. Mail. It's best to have the person mailing the notices sign an affidavit saying that he/she did so. The notices can also be hand delivered, but it's not advisable because it's too difficult to put them in each Shareholder's hand and posting the notice or sliding it under the door isn't sufficient. The notice must state who is calling the meeting. The Quorum will be determined by the By-Laws but will generally be a majority of Shareholders.

When the Annual Election has Been Delayed:

Section 603 of the BCL provides that: If six (6) weeks or more has passed since the annual meeting date set in the By-Laws (or, if there's no date set, just count 13.5 months from the last meeting), holders of ten percent (10%) of the shares entitled to vote in the meeting may, in writing, demand the call of a Special Meeting for the election of Directors specifying the dates for the meeting which can't be less than sixty (60) days or more than ninety (90) days from the date of the demand. When the Secretary of the Board of Directors gets the demand, he/she is required to send the official notice, but if he/she fails to do so for five (5) days after the demand, any Shareholder signing the demand may give the Notice.

One advantage to this approach is that the Shareholders attending the meeting constitute a Quorum. A majority is not necessarily required. This can be useful when many Shareholders have abandoned their apartments or are not eligible to vote.

(Building Address)

Housing Development Fund Corporation (“the HDFC”)

Annual Election Notice

Annual Meeting of All Shareholders

Date: _____

Time: _____ pm

Location: _____

The Annual Meeting of the _____ Housing Development Fund Corporation (“the HDFC”) will be held on _____, 20__ at _____ pm for the purpose of electing the Board of Directors of the Corporation.

As stated in the By-Laws, anyone who is more than two (2) months behind in maintenance will not be entitled to vote. Only Shareholders may vote in the election. A Shareholder who cannot attend can send his/her Proxy with another Shareholder so that his/her vote will be counted. A Shareholder may only cast one Proxy vote in addition to his/her vote at the meeting. You must sign and file your Proxy vote before the meeting.

Any disputed arrears must be proven by the Shareholder ten (10) days before the election. The maintenance/rent roll at the time of the meeting will be the final document for proof of eligibility.

AGENDA

1. Report of the Board of Directors
2. Financial Report
3. Election of the Board of Directors

(Building Address)

Housing Development Fund Corporation (“the HDFC”)

Special Meeting Notice

At least ten percent (10%) of the Shareholders of the Housing Development Fund Corporation (“the HDFC”) hereby call a Special Meeting of the Shareholders on _____, 20 ____ at _____ pm in _____ for the purpose of:

- Removing the following Directors: _____, _____, _____.
- Electing Replacements for such Directors if removed.
- Amending the By-Laws to increase the number of Directors from ____ to ____.
- Filling by a vote of Shareholders the vacant positions created by increasing the number of Board of Directors.

The meeting will be held at _____ in the _____ (room/apartment). Shareholders who cannot attend may deliver a Proxy, either by email or written notice to the HDFC Secretary, _____ (name), in apartment _____, before the meeting begins.

Shareholders calling the meeting:

Dated: _____, 20____

Name Apt.#

Signature

Name Apt.#

Signature

Name Apt.#

Signature

Name Apt.#

Signature

Name Apt.#

Signature

(Building Address)

Housing Development Fund Corporation (“the HDFC”)

Affidavit of Meeting Notice

Date: _____

Time: _____ pm

Location: _____

The Annual Meeting of the _____ Housing Development Fund Corporation (“the HDFC”) will be held on _____, 20__ at _____ pm for the purpose of electing the Board of Directors of the Corporation.

As stated in the By-Laws, anyone who is more than two (2) months behind in maintenance will not be entitled to vote. Only Shareholders may vote in the election. A Shareholder who cannot attend can send his/her Proxy with another Shareholder so that his/her vote will be counted. A Shareholder may only cast one Proxy vote in addition to his/her vote at the meeting. You must sign and file your Proxy vote before the meeting.

Any disputed arrears must be proven by the Shareholder ten (10) days before the election. The maintenance/rent roll at the time of the meeting will be the final document for proof of eligibility.

I confirm receipt of the Notice of Election.

Signature

Date

How to Call an Election Meeting

The following is an explanation of the procedures for calling an annual meeting of the Shareholders. Enclosed are copies of documents which can be used for your particular meeting.

The first objective must be to inform every Shareholder by proper notice in advance, ten (10) days or more before such meeting takes place. They should receive what is defined as a **NOTICE OF ANNUAL MEETING**.

The next objective is to make copies of the **NOTICE** and the **AFFIDAVIT OF MEETING NOTICE** and the **PROXY FORM** for each Shareholder and distribute them, in person to each Shareholder. When a copy of the **NOTICE** is given to them, have them sign the **AFFIDAVIT OF MEETING NOTICE** and keep this for your files. Every Shareholder should receive a **NOTICE** at least ten (10) days before the meeting. For those that are difficult to get in contact with, the **NOTICE** should be sent to them by first class mail at least ten (10) days prior to the meeting.

Additionally, when distributing the meeting notice, if a Shareholder says that they will not be able to attend, have them sign a **PROXY** appointing another Shareholder to cast their ballot for them. Proxies must be submitted to the Secretary of the Corporation before the meeting. Shareholders are only allowed to vote once for themselves and one (1) vote as Proxy for someone else.

Everyone should be encouraged to participate in the meeting. However, Shareholders who are in rent arrears (more than two (2) months delinquent) and also tenants, cannot vote.

It is important to understand that preparation and planning be done among the Shareholders who are looking for positive changes to happen in the building. In order to accomplish this, you should work out the details of how you'll execute the above process. By following this process, your meeting should go according to your By-Laws.

Shareholder's Proxy Form

for Elections or Special Meetings

For a Shareholder who cannot attend a Shareholder's Meeting, but who wants someone to act as his or her substitute.

From the By-Laws:

Section 10. "A Shareholder may appoint as his or her Proxy any other persons to act in his or her behalf. In no case may a Shareholder cast more than one vote by Proxy in addition to his or her own vote. Any Proxy must be filed with the Secretary before the appointed time of each meeting. Every Proxy must be signed by the Shareholder or his or her attorney-in-fact.

I, _____, a Shareholder of _____
Housing Development Corporation ("the HDFC") hereby appoint _____
to act as my Proxy and vote for me at the Special Shareholder's Meeting on
_____, 20____ and any adjournments thereof.

Signed by: _____ Apt.#: _____ Date: _____
Shareholder

Witnessed by: _____ Apt.#: _____ Date: _____

Tips for Reaching Quorum

The following relates to some ideas for addressing the difficulty in acquiring Quorum for your elections:

Section 6 of the By-Laws states that Quorum consists of a majority of all Shareholders. Section 612 (b) of the New York State Business Corporation Law, states that unsold shares do not count towards Quorum. (Remember Shareholders more than two (2) months in arrears in their maintenance fee do not count).

Section 10 of the By-Laws says that a Shareholder may appoint as his or her Proxy any other persons to act in his or her behalf. In no case may a Shareholder cast more than one (1) vote by Proxy in addition to his or her own vote. As noted above, unsold or Board-controlled shares cannot be voted in an election.

Section 8 of the By-Laws says that all Shareholders in good standing ten (10) days before the date of any meeting are eligible to vote at the meeting. If the Board prepares this list at least ten (10) days before of any meeting those Shareholders are eligible to vote.

If you have been trying to reach Quorum for more than one year: The New York State Business Corporation Law (Section 603) outlines the provisions for conducting an election when Quorum has not been reached for more than thirteen (13) months after the last annual election. Since your Board has already called one election meeting which did not reach Quorum, the Board should attempt one more time by calling a Special Meeting to hold an election.

If Quorum is not reached at this second meeting, the law requires that a petition of ten percent (10%) of the Shareholders should be prepared which calls for a meeting for an election. This meeting must be set at least sixty (60) days but not more than ninety (90) days from the date of the petition. At this meeting “notwithstanding Section 608 (Quorum of Shareholders), the Shareholders attending in person or by Proxy, and entitled to vote in an election of Directors shall constitute a Quorum for the purpose of electing Directors, but not for the transaction of any other business.” This is the only way to waive the Quorum requirements.

Election Ballot

(Building Address)

Housing Development Fund Corporation (“the HDFC”)

Date: _____

Number of Board Positions: _____

*Please list the Shareholders you vote to serve on the Board:
(Vote for up to the number on the previous line.)*

1. _____

2. _____

3. _____

4. _____

“Ballot Received” Checklist

Corporation Name: _____

Number Needed for Quorum: _____ Date: _____

Number Eligible Shareholders Represented to Vote: _____

Name (Print)	Apt. #	Building	Ballot Record

Nominations for New Board of Directors List

Newly Elected Board of Directors ***Date:*** _____

Name	Title	Home Tel.#	Work Tel.#	Apt.#

Banking Resolution of

(Building Address)

Housing Development Fund Corporation (“the HDFC”)

The undersigned, being the Corporate Secretary of the above Corporation, hereby certifies that on _____, 20____, the Board of Directors of the Corporation adopted the following Resolution:

RESOLVED, that this Corporation open an account with _____ (Bank in question), which is hereby designated as the depository of the funds of this Corporation; that the usual customary printed forms of corporate Resolution prepared and currently being used at said depository be the same hereby are adopted as a Resolution of this Board as though set fourth at length, and such forms shall be prepared as to provide for the making and endorsing of all checks, other commercial papers, loans and the transaction of all business for this Corporation with said depository, by the following officers of the Corporation:

President: _____

Vice President: _____

Treasurer: _____

Secretary: _____

And that said Resolution has not been modified or rescinded.

Date: _____

Secretary

P.A.L.A.N.T.E.

People Against Landlord Abuse & Tenant Exploitation

**1411 Amsterdam Avenue
New York, NY 10027**

**(212) 491-2541
palante@palanteharlem.org**

www.palanteharlem.org