



April 7, 2011

## Report on Legal Proceedings

As you may be aware, in September 2010, certain members of the Association initiated legal proceedings personally against the Board of Directors of the Association in Court of Queen's Bench of Alberta.

Fundamentally, the issue in the proceedings was whether the procedures leading to the Special General Meeting of the Association held in November 2009 (the "2009 SGM") complied with the requirements of the Association's Bylaws and the Alberta *Societies Act*. The proceedings also challenged the legal authority of the current Board and potentially sought to immediately remove the Board.

In response to the proceedings, the Board of Directors of the Association (the "Board") retained legal counsel. In the interests of the Association, the Board's attempted to resolve the legal proceedings at an early stage with the members who commenced the legal proceedings.

The legal proceedings have now been substantially settled and endorsed by the Court. Key aspects of the settlement include the Board's agreement to a Court Ordered Special General Meeting, the election of new Directors at that meeting and the recognition that the current Board has continuing legal authority to act on behalf of the Association until the election of new Directors.

In preparing for the Special General Meeting, the Board identified concerns about the Association's historical practices for reviewing membership applications, maintaining membership lists and giving notice of meetings to the membership.

**It should be noted that the historical practices in question pre-dated the tenure of the current Board for numerous years, including the tenure of the members who commenced the legal proceedings. Evidence to this effect was submitted to the Court and was not refuted.**

The Board has now revisited the Association's membership review and membership notification processes for compliance with the requirements of the Bylaws and the *Societies Act*. It is hoped that the Board's efforts will serve as a precedent for future Boards of the Association.

Despite the uncertainty and stress caused by the legal proceedings to the current Board, the Board continued in good faith to provide volunteer services to the Association and to oversee the Association's smooth operations. The Association's achievements during this time have been detailed at length in my previous report.

The current Board thanks the membership for the opportunity to serve the Association and invites the membership to become involved in the election of a new Board of Directors.

Sincerely,

Su Hwan Chung  
President, Alberta Taekwondo Association