

**The following is text of a letter from  
Members of the Cobequid Branch Committee,  
c/o P.O. Box 50, Bass River, Nova Scotia, B0M 1B0**

**Sent to Nova Scotia's Ombudsperson.**

May 17, 2012

The Office of the Ombudsperson  
6074 Lady Hammond Road  
P.O. Box 9200  
Halifax, Nova Scotia  
B3K 5N3

Dear Sir/Madam:

**Re: Unethical and Improper Proposed Closure of the Cobequid Branch of the Community Credit Union of Cumberland Colchester Ltd.**

We are writing to you today as members of the Cobequid Branch of the Community Credit Union of Cumberland Colchester Ltd. (hereinafter referred to as "the Credit Union") and to formally register a complaint as to the disgraceful handling and inappropriate proposed closure of our Branch. We are also enclosing a completed complaint form.

In March of this year, it was reported to members by Cobequid Branch staff that Terry Francis of our Branch had discovered what she believed to be the omission of our Branch in the amalgamation proposal information on the Credit Union website. Upon further investigation our Branch staff was informed by Management that our Branch would be closing. A few days later a notice was passed out at the Branch confirming that our Branch was in fact to be closed on September 30th, 2012 (a copy of this announcement is enclosed).

In November of 2010 our Branch hours were cut back considerably as we were told that due to the overall economic situation we needed to save on operating costs. It did not make sense to .cut hours and especially evening hours when this would make it too difficult for some members to be able to access the Branch and would have to transfer to another financial institution.

We are in a rural community and many of our members must work outside of this area and therefore can not be at the Branch before 5:00 p.m. Even though members were very upset, the majority accepted this as they wanted and knew the need of this Branch in our community and felt their acceptance was for the good of the membership and the Branch.

In light of the closure announcement members acted quickly to sign a petition to request a special meeting in the Cobequid Branch district/area as soon as feasibly possible to be advertised publicly so that the "decision" to close the Cobequid Branch permanently could be discussed. This petition was delivered to Wil Ross at the Truro Branch on April 4th, 2012.

A special meeting was then called by the Credit Union on April 24th, 2012 in Wentworth. The timing and location for this meeting were both incredibly poor choices. First of all we were told that this location was chosen as it is central to all three branches. Even though this closure affects the whole membership it affects the Cobequid Branch members the most. This meeting should have been held in Bass River which is the community that our Branch is located in and would have allowed for more Cobequid Branch members to attend.

Members came together though and organized a bus for that evening which was paid for by donations from local businesses whose owners are members of the Branch to help assist other members to attend. Some members still found it too much of a hardship. For example even though the meeting was set for 7:00 p.m. this was still too late of a start for seniors who felt it was too far to travel. Other members could not get on a bus or travel that far due to health conditions.

The date of the meeting was also extremely inappropriate as the Annual General Meeting for the Credit, Union was the next night in Amherst. By having back to back meetings it did not allow members time to process the information from the Wentworth meeting and prepare further questions for the Annual General Meeting.

Considering the obstacles in many members' paths we still had a large turnout in Wentworth. At the beginning of the meeting there were 61 members present and more members came in as the meeting was underway. There were a few members from the other Branches but the majority was from ours.

Members attended this meeting hoping to have an open discussion with the Board of Directors and Management on what could be done to save this Branch. Members were presented with some financial information for the Cobequid Branch but as you will see from the copy enclosed a magnifying glass would have been of great help to read it. Mr. Kuhn's presentation of the same information was much larger on the screen but it should have been given out ahead of the meeting in legible print to allow members time to review the information and ask questions that arose from same. The atmosphere of the meeting quickly turned from hope to disgust when Mr. Darrell Kuhn announced that the closure was "a done deal".

When member Jessie Williams asked what affect it would have on the Credit Union if all of the Cobequid Branch members withdrew their accounts she was told by Mr. Kuhn that it would have "No effect".

This statement is one that our members will not soon forget. How do you think that made our members feel?

It certainly did not make our members feel wanted or a

part of the Credit Union although we are in fact supposed to be member-owners of this Credit Union. Also in the information given by Mr. Kuhn he apologizes for the way members found out about the proposed closure but says that the media were pre-emptively alerted. The media did find out about the proposed closure but all anyone had to do was read the information that was posted on the Credit Union website. This information is available to anyone who could access the website and see that our Branch was not listed in the Amalgamation information. Perhaps we should have read this information a little more carefully but why after months of being told by our Management and Board of Directors what a tremendous opportunity this was for us would we ever imagine that in reality the Credit Union wanted "our votes" just not our members. Some members spoke out at the Wentworth meeting and the result of the evening was that a motion was made by member Bob Tarasuk that an independent financial review of the Credit Union be completed. The minutes of the Wentworth meeting are still not available at this time so we are unable to provide you with confirmation of the motion. The minutes were supposed to be posted on the Credit Union website by 5:00 p.m. May 9, 2012 but were not. We are enclosing a copy of an e-mail from Lynn Prime of the Credit Union which confirms this time and date for the posting to be completed by.

The following evening a few of our Branch members attended the Annual General Meeting in Amherst. When the minutes of the 2011 Annual Meeting were given out (they had not been available previous to this time), members found the reduction of hours at the Cobequid Branch mentioned under New Business.

Members were appalled to find that the reason why the change in hours had not been discussed with the members was "The Credit Union did not have a public meeting in Bass River as this is a private matter and it would have caused reputational damage should it have become a public matter in the newspapers". How can a matter that affects the whole membership of the Cobequid Branch be deemed "private"?

Also at this time the issue of staff safety during evening hours was mentioned. The Bayside Pharmacy is located in the same small Plaza and is open every Monday evening until 7:00 p.m. As myself and Connie Gault, the Manager of the Pharmacy are both on this Committee, we know that no one from the Credit Union ever contacted the Bayside Pharmacy to see if there was a possibility of the Pharmacy staying open on an alternate evening or a little later in the evening to allow for safety in numbers and to better serve the members of our Branch. Fortunately one of our members, Patricia Cooke, did manage to state for the record that evening the awful circumstances surrounding our proposed closure.

After the Annual General Meeting concerned members of the Cobequid Branch quickly formed a Committee to see what could be done as Members to save this Branch.

So far our Committee has held several meetings and has written to the accounting firm of Johnson Saunders Inc. regarding the financial review that was the outcome of the Wentworth meeting. A copy of this letter is also enclosed.

Unfortunately, on May 14th, 2012 I was contacted as Committee Chair by Truro/Bass River Branch Manager, Wil Ross to notify me that Mr. Kuhn would be writing to me to advise that we had no authority to request the financial review from the accountant. Apparently a passed motion at a meeting of the membership has no meaning or value to our Management.

At this time as Members of the Cobequid Branch, we would like to state that we feel we are not being treated as members of the Credit Union. We are member-owners and if you read the various promotional materials put out by the Credit Union they state that our needs come first and that the Credit Union gives us the power to take ownership in our financial future. Our powers have been taken away from us.

The first page of the Credit Union Act states that "the purpose of credit unions are, on a co-operative basis, to provide a comprehensive range of financial services that meet the needs of their members and to provide for the direction and demo-

cratic control of such services by residents of the province." Our needs are certainly not being met by closing our Branch and we as members are not being allowed to provide direction for our Branch and the entire circumstance is not being handled in a democratic manner.

We realize that our By-laws state in Section 5.02 that our Directors "shall be responsible for the general management: of the affairs of credit union." The Directors though are our representatives and were elected by the members and they are not representing the needs of our members. The members were told in the notice in March with respect to the closure that we have "had an annualized operating loss of in excess of \$100,000.00 for many years - losses have in fact now accumulated to well over \$1-Million during the past 10 year period". If this statement is true why did the Management and Board of Directors allow it to continue for this lengthy period without coming to the members, the owners, to let them know of this existing situation and ask for direction in handling it. After a review of the minutes and reports of the Annual General Meetings from 2006 to 2012 a different story evolves.

At the 2007 Annual General Meeting it is stated in the Board of Directors Report presented by Howard Welch, Chair, that "2006 was our best year ever and we are pleased to report that we will be paying another Patronage dividend of \$250,000.00 for a total paid since amalgamation of \$1,450,000.00". The Report by the General Manager, Bruce Cowie also states that 2006 was our best year ever. Mr. Cowie does note that our loan and deposit growth were each lower than 2005 but as a result of a focus on other areas. Mr. Cowie ends his report with stating that we have "finished the year with a record profit". There is no mention of any problem looming on the horizon at the Cobequid Branch and the reports lead us to believe that we are in very good standing.

In 2008 at the Annual General Meeting it is recorded in the Minutes from April 2007 that the General Manager, Bruce Cowie, after speaking of 2006 being our best year stated that "we have made significant progress from the year 2000 to now". A joint report given by Darrell Kuhn, Chief Executive Officer and Howard Welch, Chair of the Board of Directors states that we have been able "to achieve a modest surplus despite the increased cost associated with the various business initiatives undertaken throughout the year". This report also states that "Our core objectives at Community will be to continue to sponsor innovation, creativity and provide trusted advice that can make a difference in the lives of our customer-owners. As leaders, it is essential that we continue to pioneer our unique approach to customer/ownership and remain working, thriving communities of purpose and performance. The cornerstone of our democratic system of governance is the belief that our success ultimately flows from the ideas and support of people." Once again, there is no mention of Cobequid Branch losing large amounts of money as pointed out to the membership at the Wentworth meeting. Also the people are referred to as the cornerstone of our democratic system. We have to ask what democratic system? The proposed closure has been kept secret and no member was asked for their input or ideas on how the situation, if it exists, could be rectified. Also in 2007 the Board hired Booker and Associates Inc. to help chart the new vision, mission, values, and strategic direction. We are sorry to say that the Credit Union has failed miserably as far as their mission, vision, and values. The mission is supposed to be "for the benefit.:of our members, employees, and communities." Who benefits from the closure of the Cobequid Branch?

Certainly not the members or our communities who will be left without a financial institution which as you can imagine plays a vital role. We can not find one value that our Board or Management has encompassed in carrying out their roles. Teamwork - how can we as members be part of the team when we were not consulted on this major, decision that affects us so drastically. Respect - we were not treated with respect in the way the proposed closure was found out about or in how this whole situation is being handled. This value states that "we lis-

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**STOP!**  
**The Unethical Closure of the Cobequid Branch  
(Bass River) of the Community Credit Union of  
Cumberland Colchester Ltd.**

**ALL of Our Members Have Rights!  
Call Your Branch & Let Your Voice Be Heard!**

**"SAY NO!  
DON'T LET COBEQUID GO!!"**

**Contact members of the Cobequid Branch Committee at 647-2552 or 668-2303.**