

# South Fraser District Association

## Club Mergers and Acquisitions with Non-Member Organizations Policy

This policy of the South Fraser District Association (SFDA) was passed by its board of directors on March 19, 2025 (the "Policy").

The purpose of this Policy is to establish the SFDA Board's position on mergers and acquisitions involving SFDA Member Clubs and Non-SFDA Member Organizations. In addition to the laws of British Columbia, the laws of Canada, and other relevant jurisdictions, this Policy operates in conjunction with SFDA's Constitution, bylaws, and other policies approved by the SFDA Board. This Policy applies to all SFDA members, as well as all individuals engaged in SFDA activities, including but not limited to Member Clubs, prospective members, volunteers, parents/guardians, directors, officers, committee members, and administrators.

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### 1. Purpose

This Policy aims to:

- Maintain the integrity and competitive balance of soccer within the SFDA.
  - Foster the development of local talent.
  - Ensure the equitable distribution of resources within the District.
  - Ensure SFDA complies with BC Soccer Policy.
  - Protect the SFDA from liability arising from mergers or acquisitions involving Member Clubs and Non-SFDA Member Organizations.
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### 2. Definitions

- **District:** Refers to the South Fraser District Association (SFDA), a member of BC Soccer.
- **District Boundaries:** The geographical area defined by BC Soccer, which includes Tsawwassen, Ladner, Delta, Surrey, and White Rock.
- **SFDA Member Club:** A soccer organization recognized as a member of the SFDA.
- **Merger:** The combination of two or more clubs to form a single entity, regardless of transaction type (e.g., asset mergers, membership mergers, or corporate mergers).
- **Acquisition:** When one club takes over another club's assets and operations, either partially or entirely.
- **Non-SFDA Member Organization:** Any soccer organization operating outside District Boundaries that is not an SFDA Member, including:
  - A soccer organization incorporated under the BC *Societies Act* SBC 2015, c 18 (the "*Societies Act*"), primarily for not-for-profit purposes.
  - Any soccer organization that does not meet the definition of a society under the *Societies Act*.

### **3. Policy Statement**

The SFDA generally prohibits mergers between SFDA Member Clubs and Non-SFDA Member Organizations operating outside District Boundaries. Exceptions may be granted in rare circumstances where the merger or acquisition demonstrably aligns with SFDA's objectives, policies and bylaws in accordance with BC Soccer Policy, as outlined in the Approval Process for Exceptions section in this Policy.

An acquisition of an SFDA Member Club by a Non-SFDA Member Organization, or vice versa, will be treated as a new club application, subject to rigorous review and approval by the SFDA Board in compliance with BC Soccer's Youth District Association Standard for New Club Membership Applications.

No rights, intellectual property, branding, or assets of an SFDA Member Club shall transfer to a Non-SFDA Member Organization during such transactions unless explicitly approved by the SFDA Board.

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### **4. Approval Process for Exceptions**

SFDA Member Club and Non-SFDA Member Organization have the option to apply for an exception to this Policy.

Exceptions will be granted only if they support soccer development within the District and comply with this Policy. The approval process includes:

#### **1. Proposal Submission:**

- The requesting party must submit a detailed written proposal outlining the rationale for the merger or acquisition.
- Required documents include:
  - Governance structure of the proposed new entity.
  - Anticipated benefits and alignment with SFDA goals (e.g., local talent development, resource distribution).
  - A written declaration committing to adhere to SFDA policies, BC Soccer Policies, and District Boundaries.
  - A risk assessment outlining challenges and mitigation strategies.
  - A financial impact analysis demonstrating no negative effects on the District's resources or Member Clubs.
  - The Board may also prescribe their own form to be completed by applicants.

#### **2. Review and Approval:**

- The SFDA Board will assess the proposal's alignment with District priorities and compliance with SFDA bylaws, policies, and BC Soccer regulations.
  - Additional conditions may be imposed at the SFDA Board's sole discretion.
- 3. Final Decision:**
- The SFDA Board's decision will be communicated in writing and is final.
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## **5. Confidentiality and Conflict of Interest**

- 1. Confidentiality:**
- All parties must maintain confidentiality until the SFDA Board makes a final decision. Failure to do so may result in membership refusal.
- 2. Conflict of Interest:**
- All parties must disclose potential conflicts of interest. Failure to do so may result in membership refusal.
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## **6. Guidelines for New Club Applications**

If a merger or acquisition is approved in accordance with this Policy, the following criteria must be met:

- 1. Application Requirements:**
- Submission of an operational plan, governance structure, membership details, and financial documentation.
  - A completed SFDA Club Membership Application.
  - A transition plan to ensure operational continuity.
  - Registration of at least 200 new players in the first season, with at least 80% being District residents as defined by the Cities of Surrey, Delta, and White Rock. The SFDA Board may consider alternative criteria in exceptional cases.
  - Full compliance with BC Soccer and SFDA bylaws, policies, and procedures.
  - The Board may also prescribe their own form(s) to be completed by applicants.
- 2. Review Timeline:**
- The SFDA Board will review the application within 60 days, with possible extensions for additional information.
- 3. Final Approval:**
- Approval is at the SFDA Board's sole discretion.
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## **7. Monitoring and Enforcement**

- 1. Annual Compliance Audit:**

- Member Clubs must submit annual compliance reports. Failure to do so may result in suspension pending further review.
  - 2. **Investigation of Violations:**
    - The SFDA Board has full authority to investigate violations, request documentation, interview stakeholders, and impose interim measures.
  - 3. **Final Ruling:**
    - SFDA Board decisions are final.
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## **8. Violation of Policy**

Any SFDA Member Club found in violation of this Policy may face:

- Monetary fines.
- Suspension of membership privileges.
- Expulsion from SFDA.

The SFDA Board retains full discretion over disciplinary actions.

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## **9. Future Review of Policy**

This Policy may be reviewed from time to time with input from Member Clubs and stakeholders to ensure alignment with:

- SFDA's mission, vision, and objectives.
- BC Soccer's regulations and broader policies.

Policy updates will be communicated to all Member Clubs.

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## **10. Liability Limitation**

SFDA assumes no liability for disputes, financial losses, or legal issues arising from mergers, acquisitions, or other transactions involving Member Clubs and Non-SFDA Member Organizations. Each party is responsible for ensuring compliance with applicable laws and regulations.