
Meeting Minutes

CU*Answers Annual Stockholders Meeting
JW Marriott Grand Rapids
Grand Rapids, MI 49503
June 17, 2015
8:00 P.M. ET

Stockholders

Present at the meeting were Representatives from:

1. AAA Federal Credit Union
2. Alpena Alcona Area Credit Union
3. Alpena Community Credit Union
4. ATL Federal Credit Union
5. Awakon Federal Credit Union
6. Besser Credit Union
7. Brewery Credit Union
8. Bridge Credit Union
9. Calcite Credit Union
10. Community Star Credit Union
11. Community Credit Union
12. CorePlus Federal Credit Union
13. Cumberland County Federal Credit Union
14. Day Air Credit Union
15. Delta County Credit Union
16. Des Moines Police Officers Credit Union
17. Diversified Members Credit Union
18. First Trust Credit Union
19. First United Credit Union
20. Forest Area Federal Credit Union
21. Fox Communities Credit Union
22. Frankenmuth Credit Union
23. GR Consumers Credit Union
24. Greensboro Municipal Federal Credit Union
25. Honor Credit Union
26. Horizon Utah Federal Credit Union
27. Isabella Community Credit Union
28. Kent County Employees Credit Union
29. Muskegon Co-Op Federal Credit Union
30. Oak Trust Credit Union
31. Ohio Catholic Federal Credit Union
32. Port City Federal Credit Union
33. Preferred Credit Union
34. Quest Federal Credit Union
35. River Valley Credit Union
36. Safe Harbor Credit Union
37. San Antonio Citizens Federal Credit Union
38. Sarasota Municipal Employees Credit Union
39. SB Community Credit Union
40. Services Center Federal Credit Union

41. Sioux Empire Federal Credit Union
42. Tahquamenon Area Credit Union
43. TBA Credit Union
44. Thunder Bay Area Credit Union
45. Tri Cities Credit Union
46. Unison Credit Union
47. Verve a Credit Union
48. Western Districts Members Credit Union

Others Present were Representatives from:

1. Randy Karnes, CU*Answers, CEO
2. Tricia Karnes
3. Bob Frizzle, CU*Answers, CFO
4. Jody Karnes, CU*Answers, CIO
5. PJ Haehnel, CU*Answers, VP Administration
6. Stephanie Hufford, CU*Answers, Manager of Administration
7. Patrick Sickels, CU*Answers, Internal Auditor
8. Scott Page, CU*Answers, EVP Sales/Marketing
9. Scott Collins, CU*Answers, In-House Sales/ Xtend
10. Geoff Johnson, CU*Answers, EVP Client Interactions
11. Jim Vilker, CU*Answers, VP of Professional Services
12. Vic Pantea, CU*Answers Manager of Marketplace alliances
13. Barb Cooper, CU*Answers, Process Implementations Manager
14. Laura Welch-Vilker, CU*Answers, VP of Client Services and Education
15. Joe Tomaszewski, Crowe Horwath

Absent from the meeting were Representatives from:

1. AAC Credit Union
2. Advantage Credit union
3. Aeroquip Credit Union
4. Affinity Group Credit Union
5. Bay Area Credit Union
6. Big Dutch Fleet Credit Union
7. Birmingham Bloomfield Credit Union
8. Chief Financial Federal Credit Union
9. Chiphone FCU
10. Chiropractic Federal Credit Union
11. Clarkston Brandon Community Credit Union
12. Community First Federal Credit Union
13. Credit Union Plus
14. District Government Employees FCU
15. East Traverse Catholic Federal Credit Union
16. Element Federal Credit Union
17. Evergreen Credit Union
18. Farm Bureau Family Credit Union
19. FEDCom Credit Union
20. Filer Credit Union
21. Firefighters Credit Union
22. First Financial Credit Union
23. First Ohio Community Credit Union
24. Florida Hospital Credit Union
25. FOCUS Credit Union
26. Generations Family Federal Credit Union
27. Governmental Employees Credit Union

28. Grand Trunk (BC) Employees FCU
29. Gratiot Community Credit Union
30. Great Lakes Members Credit Union
31. Greater Metro Federal Credit Union
32. Greater Niles Credit Union
33. Greensboro Municipal FCU
34. H.P.C. Credit Union
35. Harris County Federal Credit Union
36. Heartland Credit Union – Madison
37. Heartland Credit Union – Springfield
38. Horizon Community Credit Union
39. Illinois Educators Credit Union
40. Kalsee Credit Union
41. Kellogg Community Federal Credit Union
42. Kenowa Community Federal Credit Union
43. Lake Huron Credit Union
44. Lake State Federal Credit Union
45. Lakes Community Credit Union
46. Lakeshore Federal Credit Union
47. Lenco Credit Union
48. Lower East Side People’s Credit Union
49. Madison County Federal Credit Union
50. Michigan Coastal Credit Union
51. MidUSA Credit Union
52. Monroe County Community Credit Union
53. Muskegon Consumers Power Credit Union
54. Muskegon Governmental Employees Federal Credit Union
55. Newaygo County Service Employees Credit Union
56. North Central Area Credit Union
57. Northern Hills Federal Credit Union
58. NorthStar Credit Union
59. Northwest Consumers Federal Credit Union
60. Notre Dame Federal Credit Union
61. Parkside Credit Union
62. Pathways Financial Credit Union
63. Peninsula Federal Credit Union
64. Progressive Credit Union
65. Prospera Credit Union
66. Public Service Credit Union
67. Ripco Credit Union
68. Rogue River Community Credit Union
69. Service 1 Federal Credit Union
70. Superior Choice Credit Union
71. Thornapple Credit Union
72. Tri-Rivers Credit Union
73. United Educational Credit Union
74. VacationLand Federal Credit Union
75. Washtenaw Federal Credit Union
76. West Michigan Credit Union
77. West Michigan Postal Service Federal Credit Union
78. Western Division Federal Credit Union
79. Wexford Community Credit Union

Quorum present? **Yes**

Call to Order

Chairman Chris Butler, Community Credit Union, LaCrosse, WI, called the meeting to order. He welcomed everyone to the JW Marriott and thanked everyone for coming.

Minutes

The minutes of the June 18, 2014, Annual Meeting were reviewed.

Action Item: A motion by Scott McFarland, Honor CU, and supported by Don Mills, Alpena Alcona Area CU, was made to accept the minutes of the June 18, 2014, Annual Meeting. Motion passed.

Chairman's Comments

Chairman Butler's message this year was "Is it hard being an optimist these days? I don't think so..."

- Don't listen to the negativity from the NCUA/ Regulators/Statistics
- Believe in the promise that cooperative business charters have for everyday consumers
- Believe that changes are coming to our industry and that it's a good thing
- Believe our network has a game plan based on fundamentals that will support our success
- CU*Answers is generating a lot of documentation to help credit unions:
 - Helping to create more voice for the member
 - More opportunities coming to our network

The Board of Directors were recognized for their dedicated work.

He welcomed four new owners: District Government Employees FCU, Notre Dame FCU, MEMBERS 1st Community CU, and Chiphone FCU.

Election of Board

Regular Election

The nominating committee this year included Dean Wilson (Chair), Focus CU, Wauwatosa, WI; Vickie Schmitzer, Frankenmuth CU, Frankenmuth, MI; and Linda Bodie, Element FCU, Charleston, WV.

There are 126 Class A shareholders entitled to vote at this meeting. A notice of the meeting, proxy statement, and form of proxy were mailed/mailed to all shareholders on May 4, 2015.

Vickie Schmitzer, Nominating Committee, announced there were three (3) director positions available and four candidates running. The three (3) incumbent candidates were running for re-election: Chris Butler (Incumbent), Community CU, LaCrosse, WI; Scott McFarland (Incumbent), Honor CU, St. Joseph, MI; and Don Mills (Incumbent), Alpena Alcona Area CU, Alpena, MI. Andy Fogle, Des Moines Police Officers' CU, Des Moines, IA, was running for election.

There were three (3) bylaw changes for which the stockholders were also voting:

1. Bylaw Changes to Streamline Electronic Notification and Voting
2. Bylaw Change to Comply with NCUA Regulations (the CUSO Rule)
3. Bylaw Change to Broaden the Pool of Candidates Eligible for the CU*Answers Board

The candidates were introduced and each said a few words.

The votes were tabulated and the winners for the Board seats were Chris Butler, Scott McFarland, and Don Mills. Congratulations to the winners.

The bylaw election changes for 1) Changes to Streamline Electronic Notification and Voting 2) Bylaw Change to Comply with NCUA Regulations were both passed.

The Bylaw Change to Broaden the Pool of Candidates Eligible for the CU*Answers Board was defeated and did not pass.

Financial Statement

Bob Frizzle reviewed the Financial Statement and presented "A Look at the Numbers." The presentation was also distributed to all stockholders present. For those not able to attend, the presentation will be posted on the CU*Answers website, www.cuanswers.com.

Two new investments for the Network this year were Payveris and Virtual StrongBox.

Joe Tomaszewski, Crowe Horwath, LLP, was available for any questions.

Action Item: A motion by John Yeomans, and supported by Mark Richter, was made to accept the Financial Statement as presented. Motion passed.

CEO Comments

This year's theme for the CEO's comments was, "Drawing a Line in the Sand - Making Audacious Statements... Then Working to Prove Our Point."

Randy explained the idea of audacity, relating it to the credit unions and the CUSOs.

Adjective-

1. extremely bold or daring, recklessly brave, fearless
2. extremely original, without restrictions to prior ideas, highly inventive
3. recklessly bold in defiance of convention, propriety, law, or the like insolent, brazen
4. lively, unrestricted, uninhibited

At a time when so many in our industry seem marked as on their way out, it's time for a sense of audacity about our intentions to prove them wrong.

Randy thanked everyone for a great year and great spirit.

Miscellaneous

Action Item: A motion by Scott McFarland, Honor Credit Union, and supported by Jeff Jorgensen, Sioux Empire Federal Credit Union, was made to adjourn. Motion passed.

Christopher P. Butler, Chairman

Vickie Schmitzer, Secretary