

Memo

DATE: September 23, 2015
TO: CU*Answers Stockholders
FROM: Dean Wilson, CU*Answers Board Member and 2015 Nominating Committee Chair
SUBJECT: **REVIEWING THE RESULTS FROM OUR 2015 ANNUAL MEETING BYLAWS ELECTION**

Recently a few shareholders expressed surprise at hearing from colleagues that Chris Butler is no longer eligible to serve on the CU*Answers Board due to Community CU's merger with Verve, A Credit Union. It seems they either didn't see the June 23, 2015, posting on the Board Elections site (<http://elections.cuanswers.com/>), or didn't connect the dots from that posting about the results of the vote to amend the CU*Answers Bylaws at the Annual Meeting in June. In any case some of our owners asked that we send out a more direct announcement about the bylaws changes. That is why I am writing to you now.

Results of the 2015 Annual Stockholders Election

At the 2015 CU*Answers Annual Meeting a proposed bylaws amendment was presented to the owners. The amendment had three parts: Changes to streamline electronic notification and voting procedures, new language to comply with NCUA Rule 712.3 ("The CUSO Rule"), and a change to broaden the pool of candidates eligible for the CU*Answers Board.

The first two measures were passed by a simple majority of owners. The third measure, broadening the Board member candidate pool, required a super-majority (84 of our 128 shareholders). Because we fell short of the required number of overall owners who participated by voting, that amendment could not pass.

Where do we go from here?

As a cooperative, our structure is only as strong as our member-owners and we hope that in 2016 we can elicit a stronger engagement around the voting process at the Annual Meeting. The Board of Directors and leadership at CU*Answers continues to see value in broadening the set of credit union leaders who are eligible to participate as Board members.

Throughout 2016 we will work with our shareholders to understand whether this amendment failed simply because we were unsuccessful at getting out the vote, or whether it was an indication that shareholders did not agree with the proposed amendment. Was the lack of a vote the same thing as a no vote? Based on what we learn, the Board does believe we will either propose another amendment for Board member qualifications in the near future (2016 or 2017), or drop the subject altogether.

Filling the Vacant Seat on the CU*Answers Board

Along with Scott McFarland and Don Mills, Chris Butler did win reelection for a new term to begin on October 1, 2015. Because of the Community CU merger, Chris Butler will resign at the October Board meeting. According to the "Appointing Directors to Fill Unexpired Terms" procedures in our Board Handbook, because his remaining term is more than 12 months CU*Answers will be filling this board seat at the 2016 Annual Stockholders Meeting on June 22, 2016. Therefore the 2016 election will include filling three (3) open seats on the Board of Directors.

Conclusion

The world is changing, and it's hard to keep track of when you need to check a website for updates, or when an organization like ours will reach out to you directly. We appreciate everyone's perspective here and will work harder in 2016 to keep everyone in the loop. If you have any questions, please don't hesitate to reach out to Randy Karnes or to me or any other member of the Board. Thank you for your continued support.

DW:dmm