



Notice of Meeting of the Members of LA Financial Federal Credit Union

The Board of Directors of LA Financial Federal Credit Union (“LA Financial”) have called a special meeting of the members of this credit union at DoubleTree Hotel Monrovia, Madera Room North, 924 West Huntington Drive, Monrovia, CA 91016 on January 22, 2025 at 6:00 p.m. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging LA Financial with and into Credit Union of Southern California (hereinafter referred to as the “Continuing Credit Union” or “CU SoCal”), whereby all assets and liabilities of LA Financial will be merged with and into the Continuing Credit Union. All members of LA Financial will become members of CU SoCal and will be entitled to and will receive shares in CU SoCal for the shares they own in LA Financial on the effective date of the merger.

2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of LA Financial, subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of LA Financial encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to sign, date and promptly return the enclosed Ballot to vote on the proposed merger.

If you wish to submit comments about the merger to share with other members, you may submit them to the National Credit Union Administration (NCUA) at <https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers> or mail to

NCUA – Office of Credit Union Resources and Expansion

1775 Duke Street

Alexandria, VA 22314

RE: Member-to-Member Communication For LA Financial Federal Credit Union

The NCUA will post comments received from members on its website, along with the member’s name, subject to the limitations and requirements of its regulations.

Other Information Related to the Proposed Merger:

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The financial statements of both credit unions, as well as the projected combined financial statement of CU SoCal, follow as separate documents. In addition, the following information applies to the proposed merger.

Reasons for merger: The Board of Directors has concluded that the proposed merger is desirable and in the best interests of members because it allows for a consolidation of energies and resources of the two credit unions to better serve the members in a competitive and secure environment. As a result of the proposed merger, the Continuing Credit Union will be able to offer, and you will be able to expect:

- **Increased Member Access:** The branch network will include LA Financial’s current four branches and will include 21 additional branches. Members will continue to enjoy benefits they have come to expect, such as access to more than 30,000 surcharge free ATMs nationwide and more than 5,600 shared branch locations through Co-op Solutions. A complete list of CU SoCal’s branch network is listed below.



- **Additional Products and Services:** CU SoCal offers additional products and services to deliver higher value solutions. The expanded line of services would include free financial education workshops, wealth management, and estate planning services, Zelle®, enabling quick and convenient money transfers directly from your mobile app, a wider variety of loan products including Credit Builder Personal Loans to help build or repair your credit score, an automatic pre-approval for \$1,500 personal loan.¹ CU SoCal also has robust online platforms, including a highly rated mobile banking app and mobile check deposit.
- **Volunteer Representation:** LA Financial will maintain volunteer representation after the merger for all current volunteers as two (2) current members of our Board of Directors will have the opportunity to serve on CU SoCal's Board of Directors. One (1) current member of our Board of Directors will have the opportunity to serve on CU SoCal's Corporate Advisory Board and one (1) member of our Supervisory Committee will have the opportunity to serve on CU SoCal's Corporate Advisory Supervisory Committee. For all remaining current members of our Board of Directors and Supervisory Committee, CU SoCal will establish an Advisory Board to assist CU SoCal with post-merger and integration related issues.
- **Continued Leadership Representation:** CU SoCal's President/CEO, Dave Gunderson, will continue to be the President/CEO of CU SoCal. LA Financial's President/CEO, Carol Galizia, will work alongside Mr. Gunderson as CU SoCal's Chief of Strategic Initiatives.
- **The Same Knowledgeable and Friendly Employees:** The same friendly staff at our branches would be available to serve you. All employees of LA Financial will be offered a position at CU SoCal.
- **Economies of Scale:** The Continuing Credit Union, and consequently the members, will benefit from the economies of scale including a combined credit union with approximately \$3.3 billion in assets and more than 175,000 members across Los Angeles, Orange, Riverside, and San Bernardino Counties, as well as Lake Havasu City, AZ. This translates into lower operating costs by allowing such costs to be spread over a wider membership base allowing enhanced investment in technology, infrastructure, and personnel opportunities.

Beyond these immediate benefits, this merger will combine two established entities that share similar values and a strong commitment to their members, people, and culture. These two organizations share a core purpose of advancing and promoting the interests of the public to empower people to achieve a brighter financial future. With the combined vision, people, and capabilities of these two organizations, the members, communities, and employees will receive lasting benefits. The combined entity will leverage its leadership and innovation to offer members competitive products and services, even better than they have today.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the Continuing Credit Union. While both credit unions are financially healthy and sound, LA Financial currently does not have a higher net worth ratio than CU SoCal.

Share adjustment or distribution: The Board of Directors of LA Financial has determined a share adjustment or other distribution of LA Financial's net worth is unnecessary as the merger will not result in an increase to CU SoCal's net worth. In making this determination, the Board of Directors accounted for all one-time merger costs (including early contract termination fees, prepaid expenses, and depreciation) together with the Credit Union's relative net worth and carefully considered CU SoCal's extensive infrastructure and beneficial services and product offerings that will be available to LA Financial members after the merger.

¹ Terms and conditions apply.



Locations of merging and continuing credit union: LA Financial's main office/headquarters located at 50 East Foothill Blvd, Arcadia, CA 91006 and each of its four branch locations will remain open for at least five (5) years following the proposed merger (locations listed below), subject to business necessity and subject to sound business practices, safety and soundness of CU SoCal, and that a branch in such location continues to be in the best interests of the members.

LA Financial branch locations that will continue to be accessible are:

- *Downtown LA Branch:* 209 South Broadway, Los Angeles, CA 90012
- *Lake Havasu Branch:* Kiowa Avenue, Lake Havasu City, AZ 86403
 - *The Lake Havasu branch will continue to operate under the name "Havasus Community Credit Union, a division of Credit Union of Southern California," to the extent that it is efficient and legally permissible.
- *Norwalk Branch:* 12125 Imperial Highway, Ste A1, Norwalk, CA 90650
- *Pasadena Branch:* 224 North Fair Oaks Avenue, Pasadena, CA 91103

Credit Union of Southern California has the following locations that will be accessible:

Los Angeles County Locations

- *Alhambra Branch:* 900 S Fremont Ave, Alhambra, CA 91803
- *City of Industry Branch:* 17871 Colima Rd, City of Industry, CA 91748
- *Covina Branch:* 1404 N Azusa Ave, Covina, CA 91722
- *El Monte Branch:* 10761 Valley Blvd, Ste C, El Monte, CA 91731
- *Gardena Branch:* 101 W Walnut St, Ste 101, Gardena, CA 90248
- *L.A. Main Street:* 100 South Main Street, Suite 110, Los Angeles, CA 90012
- *L.A. San Vicente Branch:* 470 S San Vicente Blvd, Fl 1, Los Angeles, CA 90048
- *Pomona Branch:* 737 Rio Rancho Rd, Ste 220 Pomona, CA 91766
- *Whittier Greenleaf Branch:* 8028 Greenleaf Ave, Whittier, CA 90602
- *Whittier Marketplace Branch:* 11749 Whittier Blvd, Whittier, CA 90601
- *Whittier La Serna Branch:* 15175 Whittier Blvd, Whittier, CA 90603

Orange County Locations

- *Anaheim Branch:* 200 W Center St, Promenade Ste 101, Anaheim, CA 92805
- *Brea Branch:* 2500 E Imperial Hwy, Ste 170, Brea, CA 92821
- *Costa Mesa Branch:* 1835 Newport Blvd, Ste D-152, Costa Mesa, CA 92627
- *Fullerton Branch:* 230 W Wilshire Ave, Fullerton, CA 92832
- *La Habra Branch:* 901 E Whittier Blvd, La Habra, CA 90631
- *Orange Branch:* 655 S Main St, Ste 240, Orange, CA 92868

Riverside County Location

- *Riverside Branch:* 4333 Orange St, #100, Riverside, CA 92501

San Bernardino County Locations

- *Colton Branch:* 2010 S Willow Ave, Building 31, Bloomington, CA 92316
- *Fontana Branch:* 16014 Foothill Blvd, Fontana, CA 92335
- *Ontario Branch:* 2777 E Guasti Rd, Ste 6, Ontario, CA 91761

Merger-related financial arrangements: The Board of Directors of LA Financial and CU SoCal wish to recognize and reward LA Financial employees for their meritorious service and additional work they have incurred in connection with the merger. In addition, the Boards of Directors believe it is appropriate to provide incentives to all LA Financial employees to assist in retaining their services through certain critical post-merger information technology systems integration milestones and ultimately on a long-term basis following system integration. NCUA



Regulations require merging credit unions to disclose certain “increases” in compensation that any of the merging credit union’s officials or the five most highly compensated employees have received or may receive in connection with the merger.

The following individuals are eligible to receive such compensation. Both Boards of Directors firmly believe that retaining LA Financial's senior executive team will greatly benefit the members of the combined credit union. These executives bring valuable experience, skills, and talents that are vital to the success of our unified organization, and they will take on key leadership roles post-merger. Furthermore, the Boards see these executives as essential to ensuring a smooth and successful integration, while continuing to represent the interests of LA Financial members throughout the process. Retaining these leaders is crucial for a seamless transition and maintaining the high level of service our members expect. Therefore, upon completion of the merger, the senior leadership will be eligible for compensation arrangements that are both fair and standard within the financial services industry.

Carol Galizia, President/CEO

Ms. Galizia, will continue employment as CU SoCal’s Chief of Strategic Initiatives, at her current rate of pay as of the merger date. She has been a key contributor to LA Financial's success in serving members' financial needs for the past 11 years. Her valuable experience, skills, and talents will be instrumental to the combined credit union, where she will continue to hold a significant leadership role after the merger. Ms. Galizia has an existing employment agreement with LA Financial which currently contemplates a two (2)-year employment term and as a result of the merger will enter into a new employment agreement with CU SoCal which will extend Ms. Galizia’s employment term for an additional five (5) years.

Greg Seltzer, Chief Lending Officer & Operations Officer

Mr. Seltzer has held the role of Chief Lending & Operations Officer at LA Financial for over eight years, overseeing the credit union’s Commercial, Residential, and Consumer Lending, Compliance and Electronic Services. During this time, he has been instrumental in mitigating the credit union’s risk exposure to ensure its continued safety and soundness. He has had the responsibility of successfully expanding the credit union’s lending products and offerings to stay current with changing needs in the membership and industry. Mr. Seltzer will continue to be employed on an “at-will” basis in a Senior Vice President position in the Lending Division of CU SoCal at his current rate of pay as of the merger date. Given the importance of his role and representing the interests of LA Financial members during and after the merger process, to encourage his continued employment with the combined credit union, to recognize the additional work Mr. Seltzer has incurred in connection with the merger, and to reward his meritorious service since 2016, Mr. Seltzer will be eligible to receive a maximum potential amount of \$472,500.00 (gross) (\$283,500.00 after taxes assuming a 40% tax rate) subject to Mr. Seltzer remaining in “good standing” and achieving all of the milestones set forth below:

- A one-time bonus of \$22,500.00 (gross) (\$13,500.00 after taxes assuming a 40% tax rate) provided Mr. Seltzer remains until thirty (30) days prior to the merger date.
- A *special* one-time retention bonus payable in two (2) equal installments, the first installment of \$225,000.00 (gross) (\$135,000.00 after taxes assuming a 40% tax rate) provided Mr. Seltzer remains for six (6) months following system integration and the second installment of \$225,000.00 (gross) (\$135,000.00 after taxes assuming a 40% tax rate) provided Mr. Seltzer remains for twelve (12) months following system integration.

Provided Mr. Seltzer achieves all of the above milestones, after taxes, this equates to approximately \$2,465.00 for each month of service from Mr. Seltzer’s first day of service with LA Financial in October 2016 to twelve (12) months following system integration, thereby recognizing Mr. Seltzer’s nearly 10 combined years of meritorious service to the combined credit union.



Armando Estrada, Chief Information Officer

Mr. Estrada has served LA Financial and its members for over 15 years. He currently leads the credit union's technology strategies and operations, driving digital transformation and ensuring the alignment of technology initiatives to meet the needs of members and the credit union. Throughout his time with LA Financial, Mr. Estrada has significantly enhanced the credit union's technology, operational efficiencies and member convenience. Mr. Estrada will continue to be employed on an "at-will" basis in a Vice President position in the IT Division of CU SoCal at his current rate of pay as of the merger date. Given the critical role he will play in ensuring a smooth integration of our credit union systems for our members, to recognize additional work he has incurred in connection with the merger, to reward his meritorious service since 2009, and to retain his service on a long-term basis following system integration, Mr. Estrada will be eligible to receive a maximum potential amount of \$332,367.01 (gross) (\$199,420.21 after taxes assuming a 40% tax rate) subject to Mr. Estrada remaining in "good standing" and achieving all of the milestones set forth below:

- A one-time bonus of \$15,827.00 (gross) (\$9,496.20 after taxes assuming a 40% tax rate) provided Mr. Estrada remains until thirty (30) days prior to the merger date.
- A *special* one-time retention bonus payable in two (2) equal installments, the first installment of \$158,270.04 (gross) (\$94,962.02 after taxes assuming a 40% tax rate) provided Mr. Estrada remains for six (6) months following system integration and the second installment of \$158,270.04 (gross) (\$94,962.02 after taxes assuming a 40% tax rate) provided Mr. Estrada remains for twelve (12) months following system integration.

Provided Mr. Estrada achieves all of the above milestones, after taxes this equates to approximately \$1,002.11 for each month of service from Mr. Estrada's first day of service with LA Financial in October 2009 to twelve (12) months following system integration, thereby recognizing Mr. Estrada's more than 16 combined years of meritorious service to the combined credit union.

Chiasia Moua, Chief Experience Officer:

Ms. Moua leads LA Financial's member-facing retail operations, where she develops and implements strategies to enhance the member experience across all retail channels, including branches, digital banking, the contact center, and other service touchpoints. Her role is essential in ensuring that every member interaction is seamless, personalized, and aligned with our commitment to exceptional service. Ms. Moua will continue to be employed on an "at-will" basis in a Vice President position in the Operations/Branch Division of CU SoCal at her current rate of pay as of the merger date. Given the importance of her role in representing the interests of LA Financial members during and after the merger process, ensuring LA Financial members continue to receive exceptional service, to encourage her continued employment with the combined credit union, to recognize the additional work Ms. Moua has incurred in connection with the merger and to retain her service on a long-term basis following system integration, Ms. Moua will be eligible to receive a maximum potential amount of \$117,877.00 (gross) (\$70,726.20 after taxes assuming a 40% tax rate) subject to Ms. Moua remaining in "good standing" and achieving all of the milestones set forth below:

- A one-time bonus of \$15,375.01 (gross) (\$9,225.01 after taxes assuming a 40% tax rate) provided Ms. Moua remains until thirty (30) days prior to the merger date.
- A one-time retention bonus payable in two (2) equal installments, the first installment of \$51,251.00 (gross) (\$30,750.60 after taxes assuming a 40% tax rate) provided Ms. Moua remains for six (6) months following system integration and the second installment of \$51,251.00 (gross) (\$30,750.60 after taxes assuming a 40% tax rate) provided Ms. Moua remains for twelve (12) months following system integration.

Provided Ms. Moua achieves all of the above milestones, after taxes this equates to approximately \$2,439.00 for each month of service from Ms. Moua's first day of service with LA Financial in December 2023 to twelve (12) months following system integration, thereby recognizing Ms. Moua's more than two combined years of meritorious service to the combined credit union.



Dexter De Mesa, Vice President of Business Services

Mr. De Mesa has brought his 25 years of experience in lending, portfolio management, operations administration, and other financial services expertise to LA Financial, playing an essential role in leading the strategic development and management of the credit union's Business Services. He has been instrumental in aligning products with market needs, ensuring regulatory compliance and delivering exceptional service to business members, contributing to the overall success and vision of the credit union. Mr. De Mesa will continue to be employed on an "at-will" basis in a Vice President position in the Lending Division of CU SoCal at his current rate of pay as of the merger date. Given the importance of his role in representing LA Financial's continuing culture, the interests of LA Financial members during and after the merger process, ensuring LA Financial members continue to receive exceptional service, to encourage his continued employment with the combined credit union, to recognize the additional work Mr. De Mesa has incurred in connection with the merger and to retain his service on a long-term basis following system integration, Mr. De Mesa will be eligible to receive a maximum potential amount of \$115,002.00 (gross) (\$69,001.20 after taxes assuming a 40% tax rate) subject to Mr. De Mesa remaining in "good standing" and achieving all of the milestones set forth below:

- A one-time bonus of \$15,000.00 (gross) (\$9,000.00 after taxes assuming a 40% tax rate) provided Mr. De Mesa remains until thirty (30) days prior to the merger date.
- A one-time retention bonus payable in two (2) equal installments, the first installment of \$50,001.00 (gross) (\$30,000.60 after taxes assuming a 40% tax rate) provided Mr. De Mesa remains for six (6) months following system integration and the second installment of \$50,001.00 (gross) (\$30,000.06 after taxes assuming a 40% tax rate) provided Mr. De Mesa remains for twelve (12) months following system integration.

Provided Mr. De Mesa achieves all of the above milestones, after taxes this equates to approximately \$2,091.00 for each month of service from Mr. De Mesa first day of service with LA Financial in September 2023 to twelve (12) months following system integration, thereby recognizing Mr. De Mesa's more than two combined years of meritorious service to the combined credit union.

Please note that the proposed merger must have the approval of the majority of members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting to personally deliver your Ballot, please complete the Ballot and return it in the enclosed postage-prepaid envelope to LA Financial Federal Credit Union, c/o Turner, Warren, Hwang & Conrad, AC, 100 North 1st Street, Suite 202, Burbank, CA 91502.

To be counted, your Ballot must be received by January 22, 2025 at 6:00 p.m. Also, if required, the Credit Union will submit an application to the Commissioner of the California Department of Financial Protection & Innovation for approval of the merger pursuant to California Financial Code Section 15201(b).

BY THE ORDER OF THE BOARD OF DIRECTORS:

A handwritten signature in cursive script that reads 'Gail LeGros'.

Gail LeGros, Board Chairperson

December 5, 2024

Date