



# Paradise Valley Federal Credit Union

## Notice of Meeting of the Members of Paradise Valley Federal Credit Union

The Board of Directors of Paradise Valley Federal Credit Union have called a special meeting of the members of this credit union at 2700 East 4th Street, National City, CA 91950 on April 18, 2024 at 6:00 p.m. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Paradise Valley Federal Credit Union with and into Nuvision Federal Credit Union (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of Paradise Valley Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Paradise Valley Federal Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in Paradise Valley Federal Credit Union 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 Paradise Valley Federal Credit Union, 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 Paradise Valley Federal Credit Union 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 vote online at <https://paradisevalleyfcu.cuballot.com> by selecting the Vote Now button or 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://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 Paradise Valley 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 the continuing credit union, follow as separate documents. In addition, the following information applies to the proposed merger.

### ***How This Merger Will Benefit Members***

The Board of Directors has concluded that combining the energies and resources of Paradise Valley Federal Credit Union and Nuvision Federal Credit Union will provide significant and lasting benefits and value to our members. Not only will members be able to access new branches, ATMs, products, services, and technologies, they also will



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have the advantage of membership in a larger, stronger combined credit union that is well positioned to grow and increase member value over the long term.

Through this merger, you can expect:

- **Improved Convenience and Account Access:**

- Nuvision Federal Credit Union will maintain branches in National City and Santee, California.
- 26 additional branches and 49 proprietary ATMs/ITMs (Interactive Teller Machines) available to members. With a combined credit union, members will have access to a total of 28 branches in California, Arizona, Washington, Wyoming, and Alaska.
- Additional access to 14 shared branches in San Diego County and the shared branch network of over 5,000 credit union branches nationwide available to members for access to their credit union accounts—that adds up to convenience comparable to the country's largest banks.
- Continued access to the CO-OP Network of ATMs, which will provide surcharge free access to 30,000 CO-OP ATMs nationwide.
- Online live chat available Monday through Friday.
- Extended Call Center hours on Saturdays

- **New Member Service Technologies**

- Members will have the latest internet and mobile banking technologies, at no charge, through the combined credit union, including:
  - Full-service online & mobile banking
  - Zelle money transfer service
  - Easy online account opening and loan approval
  - Text & Apple Watch Banking
  - Integrated Debit/Credit Card Management
  - Personal Financial Manager to add external accounts in online banking
  - Online Banking Marketplace

- **Expanded Products and Services:**

- Deposit related products and services
  - Many more competitive checking & savings account options
  - Various Money Market Accounts, including reverse Money Market and a High Yield Money Market
  - More Share Certificate terms at very competitive rates
  - Debit Cards with Tap to Pay for added security
  - Instant issue Debit Cards at the branch
- Loan related products and services
  - Additional Fixed and Variable Rate Mortgages plus Jumbo, FHA and VA loans
  - Home Equity Loans & Lines of Credit



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- RV, Boat & Motorcycle Loans
  - More Visa Card options, including Cash Back Visa
  - Robust in-house mortgage loan options
  - Solar loans
  - Student Loans
  - Credit Cards with Tap to Pay for added security
  - Autoland Car Buying Service
- Comprehensive suite of Business Banking Services:
    - Expanded Business Deposit accounts
    - Money Market & Business Certificates
    - Merchant Services
    - Business Credit Cards
    - Various Business Lending Programs, including Small Business Loans, Lines of Credit, Commercial Real Estate, and Building and Construction Lending
  - Investment Services
  - One year of credit monitoring through Experian with Added Advantage loyalty program
  - Member Rewards Program, with special rates, discounts & perks
- **Continuation of Federal Deposit Insurance:** Your accounts will continue to be federally insured by the National Credit Union Share Insurance Fund (NCUSIF), operated and managed by the National Credit Union Administration and backed by the full faith and credit of the United States Government.
  - **Employee Representation:** Our long-time President/CEO, Gerald Schaffner, will remain with the combined credit union after the merger. Employees of Paradise Valley Federal Credit Union will have the opportunity to continue employment with the combined credit union after the merger.
  - **Lower Operating Costs:** The combined credit union, and consequently the members, will benefit from the economies of scale and improved regulatory net worth position (including a combined entity totaling approximately \$3.3 billion in assets, over 164,000 members and over 10% regulatory net worth); translating into lower operating costs by allowing such costs to be spread over a wider membership base. This provides for:
    - Even greater levels of member service
    - Development of new and enhanced products and services
    - Exploration of greater access to current/new technologies
    - Improved data security
    - Enhanced liquidity for lending
    - Geographic diversity to navigate economic cycles

Beyond these immediate member benefits, this merger is a partnership between two established, federally-insured credit unions to create a new credit union that is in a strong competitive position to offer our members even greater



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value than they have today. The two credit unions also share California roots as well as similar values and a cultural commitment to personalized service and putting our members' needs first. The new organization will combine the vision, people, branches, and capabilities of the two credit unions for the benefit of our members, communities, and employees for the long term.

*Net worth:* The net worth of a merging credit union at the time of a merger transfers to the Continuing Credit Union. Paradise Valley Federal Credit Union currently has a similar net worth ratio to that of Nuvision Federal Credit Union.

*Share adjustment or distribution:* Paradise Valley Federal Credit Union will not distribute a portion of its net worth to its members in the merger. The Board of Directors of the Merging Credit Union has determined a share adjustment, or other distribution of the Merging Credit Union's net worth, is unnecessary because once all one-time merger costs (including early contract termination fees, prepaid expenses, and depreciation) are accounted for coupled with Paradise Valley Federal Credit Union's relative net worth ratio, the Continuing Credit Union's net worth ratio will not increase as a result of the Merger.

*Locations of merging and continuing credit union:* The Continuing Credit Union intends to maintain branches in the National City and Santee, California markets, subject to sound business practices as well as safety and soundness concerns for the Continuing Credit Union.

Paradise Valley Federal Credit Union locations are:

- 2700 East 4<sup>th</sup> Street, National City, California 91950
- 800 Lantern Crest Way Suite A, Santee, California 92071

Nuvision Federal Credit Union Headquarters is located at 7812 Edinger Ave, Huntington Beach, CA, 92647.

As noted above, the combined credit union will provide members with access to a significantly greater number of credit union branches, including the following Branch and ATM locations as well as extended Telephone Service Center hours.

## **Member Call Center Available:**

- 7:00am – 7:00pm Monday – Friday
- 9:00am – 2:00pm Saturday

Automated 24/7 Telephone Banking Service

## California branches (11) and ATMS:

- |  |  |   |
|--|--|---|
| • 2350 E 223rd St, Carson, CA 90810              | • 298 E 17th St Ste D, Costa Mesa, CA 92627                        | • 3195 Harbor Blvd, Costa Mesa, CA 92626                |
| • 18629 Brookhurst St, Fountain Valley, CA 92708 | • 6547 E. Pacific Coast Hwy., Long Beach, CA 90803                 | • 23020 Lake Forest Dr, Laguna Hills, CA 92653          |
| • 2660 Carson St, Lakewood, CA 90712             | • 15455 San Fernando Mission Blvd Ste 102, Mission Hills, CA 91345 | • 2095 S Atlantic Blvd, Monterey Park, CA 91754         |
| • 1419 Northwood Rd, Seal Beach, CA 90740        | • 22600 Wilmington Ave, Carson, CA 90745 – Cash only ATM           | • 4000 N Lakewood Blvd, Long Beach, CA 90808 – ATM only |



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- 7812 Edinger Ave., Huntington Beach, CA 92647

## Alaska branches (10) and ATMs:

- 440 E 36th Ave, Anchorage, AK 99503
- 1501 Huffman Rd Ste 191, Anchorage, AK 99515
- 1725 Abbott Rd, Anchorage, AK 99507
- 4000 W Dimond Blvd Unit 180, Anchorage, AK 99502
- 7405 Debarr Rd, Anchorage, AK 99504
- 11409 Business Blvd, Eagle River, AK 99577
- 375 Merhar Ave, Fairbanks, AK 99701
- 9101 Glacier Hwy, Juneau, AK 99801
- 10096 Kenai Spur Hwy, Kenai, AK 99611
- 2031 E Tysons Trail, Wasilla, AK 99654
- 8900 Old Seward Hwy, Anchorage, AK 99515 – ATM Only
- 701 E Tudor Rd, Anchorage, AK 99503 - ATM Only
- 595 E Parks Hwy, Wasilla, AK 99654 – ATM Only

## Arizona Branch (1) and ATMs:

- 5000 E McDowell Rd, Mesa, AZ 85215 – Branch; Buildings 510, 520, 533 ATM only

## Washington Branch (1) and ATM:

- 19802 62nd Ave S, Kent, WA 98032
- 19415 International Blvd., SeaTac, WA 98188 ATM only

## Wyoming Branches (3) and ATMs:

- 155 W Collins Dr, Casper, WY 92601
- 414 E 18th St, Cheyenne, WY 82001
- 3485 Converse Ave, Cheyenne, WY 82001
- 2360 E Pershing Blvd, Chyenne, Wy 82001 – ATM only

**Shared Branching Network:** Members will now have access to 14 shared branches in San Diego County and over 5,000 shared branches nationwide available to them after the merger.

**ATM Network:** As a member of the combined credit union, the CO-OP ATM Network will continue to be available to you, offering over 30,000 surcharge-free ATMs.

**Merger-related financial arrangements:** The Board of Directors of Paradise Valley Federal Credit Union and Nuvision Federal Credit Union wish to recognize the service of Paradise Valley Federal Credit Union's staff and management. NCUA Regulations require merging credit unions to disclose certain increases in compensation, and payment of other amounts such as payment of unused accrued paid time off, 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 that is above a certain threshold. The following individuals are eligible to receive payments which may exceed the threshold. These arrangements are reasonable and commonplace in the financial services industry.

**Gerald Schaffner, President/CEO:** The Continuing Credit Union will continue to employ Mr. Schaffner under the terms of a three year employment agreement at his current rate of pay. The Boards wish to recognize Mr. Schaffner's nearly 40 years of meritorious service and incent him to remain with the Continuing Credit Union on a long term basis by offering him (i) a one-time retention bonus if he remains with the Continuing Credit Union for at least 90 days following system integration and (ii) a severance opportunity if the Continuing Credit Union terminates his employment without "Cause" during the term of the employment agreement. If Mr. Schaffner receives both the



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retention bonus and the full severance opportunity, the maximum amount Mr. Schaffner may receive would be \$183,558.10 (approximately \$110,134.86 after taxes assuming a 40% tax rate).

Mr. Schaffner will also be eligible to receive a payout of unused accrued Paid Time Off time, projected to be about \$19,877.03 (approximately \$11,926.22 after taxes assuming a 40% tax rate). This amount is not an increase in pay as he has already earned and accrued this amount.

Eloisita Nash, Chief Human Resources Officer: The Continuing Credit Union will continue to employ Ms. Nash under the terms of a three year employment agreement at her current rate of pay. The Boards wish to recognize Ms. Nash's many years of meritorious service and wish to incent her to remain with the Continuing Credit Union on a long term basis by offering her (i) a one-time retention bonus if she remains with the Continuing Credit Union for at least 90 days following system integration and (ii) a severance opportunity if the Continuing Credit Union terminates her employment without "Cause" during the term of the employment agreement. If Ms. Nash receives both the retention bonus and the full severance opportunity, the maximum amount Ms. Nash may receive would be \$151,773.60 (approximately \$91,064.16 after taxes assuming a 40% tax rate).

Ms. Nash will also be eligible to receive a payout of unused accrued Paid Time Off time, projected to be about \$14,041.46 (approximately \$8,424.88 after taxes assuming a 40% tax rate). This amount is not an increase in pay as she has already earned and accrued this amount.

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, you can vote online at <https://paradisevalleyfcu.cuballot.com> by selecting the Vote Now button or complete the ballot and mail it to:

Paradise Valley Federal Credit Union  
c/o CUBallot – Election Processing  
E Space Communications, Inc.  
P. O. Box 3156  
Dublin, OH 43016-9842

To be counted, your Ballot must be received by April 18, 2024 at 6:00 p.m.

**BY THE ORDER OF THE BOARD OF DIRECTORS:**

A handwritten signature in blue ink that reads "John Mendivil".

John Mendivil, Board Chairperson

February 20, 2024  
Date