

# Notice of Meeting of the Members of First Bristol Federal Credit Union

The Board of Directors of First Bristol Federal Credit Union have called a special meeting of the members of this credit union at First Bristol Federal Credit Union located at 25 North St, Bristol CT 06010, on Wednesday, May 22, 2024 at 5:00pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging First Bristol Federal Credit Union with and into Nutmeg State Financial Credit Union (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of First Bristol Federal Credit Union will be merged with and into the Continuing Credit Union. All members of First Bristol 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 First Bristol 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 First Bristol 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 First Bristol 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 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) <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 First Bristol 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 combining the energies and resources of First Bristol Federal Credit Union and Nutmeg State Financial Credit Union will provide significant and lasting benefits and value to our members. Not only will members be able to access new branches, surcharge-free

ATMs, products and services, they also will 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**

- First Bristol Federal Credit Union will maintain its two branches in Bristol.
- An expanded branch network will be available to members across Connecticut.
- Access to 30,000+ fee-free ATMs through the CO-OP and SUM Networks.
- Expanded Call Center hours Monday through Saturday.
- Live Chat available for remote service support.
- The latest internet and mobile banking technologies, at no charge, through the combined credit union.

#### **New Products and Services**

- Credit cards with loyalty program benefits
- New checking account options, including checking with ATM fee rebates and cash back on debit purchases
- Youth Accounts
- Financial Planning Services
- Insurance products, including homeowners, auto, life, renters & motorcycle insurance
- DMV Express Services available at multiple branches
- No NSF or overdraft transfer fees
- Health Savings Accounts
- Credit-building products, including checking account & credit card

#### **Additional Lending Programs**

- Special loan programs for first-time home buyers
- Smart Energy Loans
- Car Ownership Loan Program

#### **Comprehensive suite of Business Banking Services**

- Business Savings, Checking and Money Market Accounts
- Business Credit Cards
- Business Lending & Insurance Programs
- Merchant Services
- Employer 410k Programs

**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, Mark Cornacchio, will remain with the combined credit union after the merger. Employees of First Bristol Federal Credit Union will have the opportunity to continue employment with the combined credit union after the merger.

**Charitable Contributions and Community Involvement:** Nutmeg State Financial Credit Union shares First Bristol Federal Credit Union's commitment to community involvement and charitable giving and will continue to support programs and invest in our local community.

**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 \$675 million in assets, over 48,000 members and 13% 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
- Continued community support programs
- Improved data security
- Enhanced liquidity for lending

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 value than they have today. The two credit unions share Connecticut 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. First Bristol Federal Credit Union has a lower net worth ratio (9.52%) than Nutmeg State Financial Credit Union's net worth ratio (13.63%).

*Share adjustment or distribution:*

First Bristol Federal Credit Union will not distribute a portion of its net worth to its members in the merger. The Board of Directors has determined a share adjustment or other distribution of First Bristol Federal Credit Union's net worth is unnecessary. Once all the one-time merger related costs (including early contract termination fees, integration costs for core banking and other data systems and write downs of fixed and other assets to be retired) are accounted for; the Continuing Credit Union's extensive infrastructure and beneficial services and product offerings to First Bristol Federal Credit Union members are taken into consideration; and the ability of our members to share in the higher net worth ratio of the combined credit union.

*Locations of merging and Continuing Credit Union:*

First Bristol Federal Credit Union's full-service main office located at 25 North Street, Bristol CT and its one full-service branch office located 902 Stafford Avenue, Bristol CT will remain open for at least three (3) years after the Merger Effective Date.

Nutmeg State Financial Credit Union currently has the following full-service locations with ATM access that are in reasonable proximity to the current office of First Bristol Federal Credit Union:

<b>New Britain</b> 995 West Main Street New Britain, CT 06053 Monday – Wednesday: 9:00 a.m. – 4:00 p.m. Thursday: 9:00 a.m. – 6:00 p.m. Friday: 9:00 a.m. – 5:00 p.m. Saturday: 9:00 a.m. – 12:00 noon	<b>Rocky Hill</b> 520 Cromwell Avenue Rocky Hill, CT 06067-0066 Monday – Wednesday: 9:00 a.m. – 4:00 p.m. Thursday: 9:00 a.m. – 6:00 p.m. Friday: 9:00 a.m. – 6:00 p.m. Saturday: 9:00 a.m. – 12:00 noon
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Nutmeg State Financial Credit Union currently also has the following additional full-service branches

<p><b>Glastonbury*</b> 81 House Street Glastonbury, CT 06033 Monday – Friday: 9:00 a.m. – 5:00 p.m. Saturday: 9:00 a.m. – 1:00 p.m.</p> <p><b>Manchester</b> 270 Broad Street Manchester, CT 06040 Monday – Wednesday: 9:00 a.m. – 4:00 p.m. Thursday: 9:00 a.m. – 6:00 p.m. Friday: 9:00 a.m. – 5:00 p.m. Saturday: 9:00 a.m. – 12:00 noon</p> <p><b>Milford*</b> 977 Boston Post Road Milford, CT 06460 Monday – Wednesday: 9:00 a.m. – 3:30 p.m. Thursday – 9:00 a.m. – 5:30 p.m. Friday – 9:00 a.m. – 4:30 p.m. Saturday: 9:00 a.m. – 12:00 p.m.</p> <p><b>North Haven*</b> 117 Washington Avenue North Haven, CT 06473 Monday – Wednesday: 9:00 a.m. – 3:30 p.m. Thursday – 9:00 a.m. – 5:30 p.m. Friday – 9:00 a.m. – 4:30 p.m. Saturday: 9:00 a.m. – 12:00 p.m.</p>	<p><b>Norwalk*</b> 500 West Avenue Norwalk, CT, 06850 Monday – Wednesday: 9:00 a.m. – 3:30 p.m. Thursday – 9:00 a.m. – 5:30 p.m. Friday – 9:00 a.m. – 4:30 p.m. Saturday: 9:00 a.m. – 12:00 p.m.</p> <p><b>Orange</b> 259 Bull Hill Lane Orange, CT 06477 Monday – Friday: 10:00 a.m. – 6:00 p.m. Saturday: 9:00 a.m. – 2:00 p.m.</p> <p><b>Stratford</b> 250 Barnum Avenue Cutoff Stratford, CT 06615 Monday – Friday: 10:00 a.m. – 6:00 p.m. Saturday: 9:00 a.m. – 2:00 p.m.</p>
<p><b><u>Member Call Center available:</u></b> Monday – Friday: 8am – 6pm Saturday: 9am – 1pm</p> <p><i>*Branches with DMV Express Office for members</i></p>	

In addition, Nutmeg State Financial Credit Union belongs to both the SUM and CO-OP Networks providing access to 30,000+ surcharge free ATMs.

*Merger related financial arrangements:*

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 will receive in connection with the merger.

First Bristol Federal Credit Union does not compensate credit union Board officials.

The Board of Directors of First Bristol Federal Credit Union and Nutmeg State Financial Credit Union believe strongly it will be beneficial to the members of the combined credit union to retain the services of First Bristol's senior executive team. These executives each bring valuable experience, skills, and talents to our combined credit union, and will play important leadership roles after the

merger. In addition, both Boards view these executives as vital to ensuring a smooth and successful integration of the two credit unions and to representing the interests of First Bristol members during and after the merger. Accordingly, upon completion of the merger, the senior managers are eligible to receive the following arrangements which are both reasonable and commonplace in the financial services industry.

Mark Cornacchio, President and CEO:

Mr. Cornacchio has been employed with First Bristol Federal Credit Union over 32 years, serving as an accomplished leader in the role of President and CEO since 1991. He has been an integral part of the credit union and our ability to serve our members' financial needs for over three decades, including successfully guiding the credit union through challenging economic environments and significantly expanding the products, services, and value offered to members. He has served in leadership positions on the Boards of the CT Credit Union League, League Services Corporation, Smartsources Solutions, Constitution Corporate Credit Union and many other organizations. Mr. Cornacchio will play an important leadership role after the merger as Nutmeg's President of the Bristol Division. Accordingly, he will be offered compensation and benefits in line with Nutmeg's existing senior management pay structure with a salary and benefits increase of approximately \$27,915. This compensation fits market standards for a leadership position in a credit union of this size and scale, and considers his seniority in the organization and the scope of his responsibilities in a \$675 million organization serving 48,000 members. Because we view Mr. Cornacchio as essential to completing a successful merger process that protects the interests of First Bristol members and to recognize his 32 years of service to members, he also will be paid a one-time merger completion bonus of \$150,000 (minus lawful deductions) in June of 2024. Mr. Cornacchio is covered under a current employment agreement executed in 2013 that will transfer to Nutmeg State FCU.

Christopher Taylor, Chief Financial Officer:

Mr. Taylor has held the role of Chief Financial Officer at First Bristol Federal Credit Union for over 32 years since 1991, overseeing both the credit union's accounting and investment functions for our continued safety and soundness. During this time, he has ensured that the credit union has successfully maintained a strong capital position to support growth and new member services through effective balance sheet management and earnings retention. Mr. Taylor will be employed under a three-year agreement at his current salary and benefits structure (Current salary \$153,328). He will be able to receive a severance payment if he is terminated without "cause" during the term of the agreement equal to the remaining term of the contract. Given the importance of his role and representing the interests of First Bristol members during and after the merger process, and to encourage his continued employment with the combined credit union, Mr. Taylor also will be eligible to receive a one-time loyalty bonus at the end of his 3-year contract equal to 6 months of his then current salary if he stays until the end of that agreement. In the event he does not stay till the end of the term no bonus will be paid. Mr. Taylor will be paid his accrued but unused vacation salary of approximately \$41,000 (minus lawful deductions).

Julie Marchetti, Chief Administrative Officer:

Ms. Marchetti started at First Bristol in 1992. She currently holds the position of Chief Administrative Officer, a culmination of the vital role she has played in overseeing marketing, risk management and the Call Center for First Bristol. She has been instrumental in the delivery of new products and services and in the level of service provided to members. With 31 plus years of experience, she has extensive knowledge of the operations and culture of First Bristol and will play a crucial role in the merger transition. Ms. Marchetti will be employed under a two-year agreement at her current salary and benefits structure (Current salary \$117,741). She will be able to receive a severance payment if she is terminated without "cause" during the term of the agreement equal to the remaining term of the agreement. Given the importance of her role and representing the interests of First Bristol members and employees during and after the merger process, and to encourage her

continued employment with the combined credit union, she also will be eligible to receive a one-time loyalty bonus equal to 6 months of her then current salary if she stays until the end of that agreement. In the event she does not stay until the end of the term no bonus will be paid. Ms. Marchetti will be paid her accrued but unused vacation salary of approximately \$39,000 (minus lawful deductions).

Jose Tintone, Lending Collections Manager:

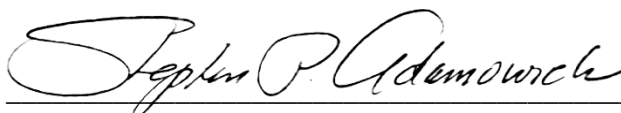
Mr. Tintone has been employed by First Bristol Federal Credit Union for over 24 years since 1999 in various positions. During this time, he has been instrumental in mitigating the credit union's risk exposure to ensure its continued safety and soundness. He has had the responsibility of expanding credit union lending products and offerings to stay current with changing trends in the industry. Mr. Tintone will be employed under a two-year agreement at his current salary and benefits structure (Current salary \$100,750). He will be able to receive a severance payment if he is terminated without "cause" equal to the remaining term of the agreement. Given the importance of his role and representing the interests of First Bristol members during and after the merger process, and to encourage his continued employment with the combined credit union, he also will be eligible to receive a one-time merger loyalty bonus equal to 6 months of his then current salary if he stays until the end of that agreement. In the event he does not stay until the end of the term no bonus will be paid. Mr. Tintone will be paid his accrued but unused vacation salary of approximately \$19,000 (minus lawful deductions).

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, please complete the Ballot and return it to:

CUBallot Election Processing  
PO Box 3156  
Dublin, OH 43016

To be counted, your Ballot must be **received by May 22, 2024 at 5:00pm**. BY THE ORDER OF THE BOARD OF DIRECTORS:



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By Stephen P. Adamowich  
Chairperson

Date April 3, 2024