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It's Your Network.

CREDIT UNIONS SHARED THEIR VOICE.

Share Your Voice Survey on the State of Credit Unions

At Credit Union 24, we're always eager to know what credit unions think about the services we provide them. And we're also eager to know what credit unions think about the credit union movement in general. That's why we undertook a survey in conjunction with CUNA's annual Government Affairs Conference in February of this year. The *Share Your Voice* survey provided valuable insights from credit union professionals around the country.

Key findings of the survey:

- 89% of respondents believe that it is important to offer easy access to a large network of surcharge-free ATMs.
- 80% of respondents believe that it is important to have a credit union-owned point-of-sale network for the credit union movement.
- 70% of respondents look for exceptional customer service from a CUSO.
- 67% of respondents cited consumers' understanding of credit union benefits over banks' as the greatest challenge in attracting new members.
- 61% of respondents cited attracting new members as the greatest challenge facing credit unions today.

We thank everyone who participated in the *Share Your Voice* survey. Its findings will be used to improve many of our services, including current and future programs.



NEW BUILDING

In April 2009, Credit Union 24 moved to its new home after purchasing a building to serve as its new corporate headquarters. Taking advantage of the current real estate market, Credit Union 24 was able to purchase the building at great savings. Credit Union 24 has created an asset for the network by eliminating the monthly rent liability and generating revenue by renting out additional space on the property. Purchased using a small percentage of cash reserves, it will provide ample room for growth as Credit Union 24 works to expand its products and services to its participants.



PRESIDENT'S MESSAGE: LOOKING FORWARD



Jim Park, President/CEO

If there's one thing that characterized the past quarter, it is the forward-looking approach Credit Union 24 is taking toward serving its participants.

Perhaps the most noteworthy event of the quarter was our move to our own building. This is a concrete example of our commitment to continue serving credit unions long into the future.

"...we saved members \$30 million in ATM surcharges."

We're also pressing forward with our very well-received relationship management program. Elsewhere in this newsletter, you will find news of the survey we conducted in conjunction with CUNA's Government Affairs Conference. One of the most gratifying results of the survey was that seventy percent of respondents look for exceptional customer service from a credit union service organization.

One key area at Credit Union 24 where this is being demonstrated is within our relationship management program. We invite you to take full advantage of the individualized consulting services provided by

our experienced relationship managers. It's rare to find consultants who actually sit down and talk about electronic funds transfer with its participants, explaining things like pricing and the ways the credit union can improve its income and overall success. According to the feedback we've received, our relationship managers are doing a superb job.

"...we view these past accomplishments as a mere prelude to even greater success in the future."

I'll note one other important result of our survey. Eighty percent of respondents said it is important to the credit union movement to have a credit union owned point-of-sale network. In this era of stabilized ATM usage and growing POS activity, we are enormously proud to offer our members all the benefits that come with POS-transaction services.

We accomplished a great deal in 2008. Among other things, we saved members \$30 million in ATM surcharges. We improved our members' interchange income. We paid a record dividend based on 2007 income. And we redeemed approximately \$500,000 in equity certificates earned during the first two years of our incorporation. But at Credit Union 24, we view these past accomplishments as a mere prelude to even greater success in the future. We hope you share our optimism over what lies ahead in the services we offer to our owners—the participants of Credit Union 24.



CUNA 2009

GOVERNMENT AFFAIRS CONFERENCE (GAC) SUMMARY

Credit Union 24 developed the theme “You have a choice! Gain your voice!” which tied in nicely with the overall 2009 GAC theme, “Be Bold. Be Heard. Be There.” Marketing and communications tactics were implemented to communicate that theme, the combination of which enhanced presence and awareness of the Credit Union 24 brand among conference attendees.

Similar to the ice cream social at the 2008 GAC, Credit Union 24 developed the concept of a smoothie social that took place during the lunch hour on the first full day of the conference. In keeping with the theme, the smoothie social allowed conference attendees to walk up and “voice their choice” of smoothie flavors. Messaging and support collateral of the smoothie social illustrated how credit unions have control and self-determination over their future, which is enhanced through relationships with organizations like Credit Union 24. Ultimately, this positioned Credit Union 24 as a partner of choice in the CUSO arena.

All seating areas throughout the conference were branded with Credit Union 24 signage and table tents. Additional branded collateral that supported Credit Union 24 key messaging included branded cups and napkins, and branded T-shirts for the smoothie servers. Positive feedback received from conference attendees about the smoothie social illustrated the ‘buzz’ that Credit Union 24 created around its brand and conference key messages. Numerous other marketing and communications

tactics were executed for the conference as well, including a direct mail and HTML campaign to increase booth traffic, conference signage and trade show booth graphics to enhance brand awareness, and earned media outreach.

Media outreach to select attending trade media resulted in three interviews with two Credit Union 24 executives, Jim Park, President and CEO, and Jim Gowan, EVP and COO. Media interviews communicated Credit Union 24’s theme and value proposition, capturing the organization’s key messaging through the interview dialogues, and enhanced relationships with key media representatives. Interviews were conducted with the Credit Union Journal, the Credit Union Times and Credit Union Business. An Opinion/Editorial piece also ran in the Credit Union Times post-GAC issue, authored by Jim Park, which specifically discussed the value of credit union-owned POS and how it benefits credit unions in the short- and long-term.



GAC CONTEST WINNER

John McGrail

President and CEO of Lion’s Share Credit Union, grand prize winner of the Share Your Voice Survey drawing.

CREDIT UNION 24 SAVES CONSUMERS \$30 MILLION IN 2008

Members of Credit Union 24's participating credit unions saved approximately \$30 million in ATM surcharges during 2008. This is perhaps one of the strongest marketing cases based on our research.

"The year 2008 reinforced the fact that the credit union movement is an extremely viable financial system, even in a challenging economic climate, which sends an optimistic signal to consumers about the positive impact of member ownership in credit unions," said Jim Park, Credit Union 24 president and CEO.

According to research from Callahan & Associates, consumers nationwide saved nearly \$11 billion through membership in the credit union movement compared to traditional banking institutions, averaging approximately \$126 per member or \$239 per household. Those savings are especially valuable as today's consumers seek savings in the products and services they use every day.



USING NON-DISCLOSURE AGREEMENTS IN BUSINESS TRANSACTIONS

As more parties seek to protect their own proprietary and trade secret information, businesses are being asked to sign non-disclosure agreements (NDAs). Typically signed before any information sharing or serious substantive negotiations, NDAs (commonly referred to as confidentiality agreements) comply with data privacy and security laws and regulations. Here are some issues to consider when using NDAs:

- In a typical situation involving two parties, the NDA can be structured as "mutual" so that both parties have reciprocal non-disclosure obligations with respect to the confidential information they receive from the other party. On the other hand, the NDA can be structured so that it is "one-way," where only one party discloses confidential information to the other party. This would be the case where one party discloses its pricing, forms of agreement

or other proprietary documentation for the second party's use in evaluating a prospective business relationship.

- Typically, NDAs are used to protect confidential, proprietary or trade secret information. Confidential information refers to information held in confidence and kept secret. In regards to NDAs, "proprietary" signifies the rights of an "owner" or property rights an owner has by virtue of its ownership of such information. Information may be confidential or proprietary, or both confidential and proprietary. A trade secret is defined by statute in those states that have adopted the Uniform Trade Secrets Act.

It is typical to state that such information may be presented in any form or media, such as oral, visual, written, electronic, etc. What is evident from this

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overview and the definition of a trade secret is that there is no express limitation on the period when a particular piece of information may be considered as confidential or a trade secret. In fact, as long as such information is not “generally known to, and not ...readily ascertainable by proper means by, other persons,” then it may retain its status as confidential or trade secret information.

- Typically, NDAs have definite terms for confidential and proprietary information because the parties want to know when their confidentiality obligations will end. The most common terms are in the range of three to seven years, depending on the sensitivity and value of the disclosed information. However, there are exceptions, including whether any bona fide trade secrets will be covered by the NDA. For example, if the NDA were to cover a trade secret, then it would be appropriate to carve out language to state that trade secrets would be held in confidence indefinitely, while they maintained their status as such. Otherwise, it might be construed that the recipient of such information would be at liberty to disclose this information at the end of an NDA with a definite term.

- The most important limitation is the non-disclosure of confidential information. This is typically coupled with the recipient’s obligations to employ certain security practices and protections to maintain confidentiality. A common practice is to state that the recipient will employ the same security measures that it applies to its own comparable confidential information, but in no event less than a reasonable degree of care. The parties may also add language to include specific data security practices and procedures.

Another important restriction is to limit the recipient’s use of disclosed confidential information to a specific set of purposes expressed in the NDA. A further important

limitation is to restrict the persons to whom such information can be disclosed. Typically, this is stated as the employees of the recipient with a need to know.

- Typically, a party will want to be assured that its confidential information is either returned or destroyed at the end of the term. In the world of electronic media, however, receiving a pile of paper documents back from another party is no assurance that all of the electronic copies have been destroyed.

This is by no means an exhaustive list of issues presented in NDAs, but it does provide some important considerations that are applicable to most situations. Often seen as a formality, NDAs do not usually receive the attention they warrant because the parties are typically in a rush to proceed with the evaluation or transaction. But for many deals that never move beyond the evaluation to a definitive agreement, it might represent the only document protecting your confidential information and evidencing your data security and non-disclosure compliance. For those reasons alone, it should warrant far more care and attention.

The information contained in this article is for informational purposes, and it is not intended to provide legal advice or services, and should not be relied on in reaching a conclusion in a particular area or matter. The general legal principles presented in this article were accurate at the time it was authored, but laws are constantly changing and so they should be checked by legal counsel for the most current version. Except as noted previously, the author makes no claims, promises or guarantees about the accuracy, completeness or adequacy of the information contained in this article. Please do not act upon this information without seeking the advice of an attorney.

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BOARD NOMINEES ANNOUNCED

The Nominating Committee for Credit Union 24 has announced the nominees for three positions on the board of directors, to serve three-year terms each. Mail-in ballots were sent to all shareholders of record on May 4 and are due to be returned by June 3. Election results will be mailed to shareholders on June 10.

The nominees are:

Mansel Guerry *incumbent*

Mr. Guerry is president of Mississippi Employees Federal Credit Union, that he has overseen growth from a single-location operation to one which now has three offices in three separate markets. He has spent the last 20 years working in the credit union movement. In 1998, he was elected to the original board of Credit Union 24 and has served as treasurer and vice chairman. Mr. Guerry currently serves as chairman of Credit Union 24's Board of Directors.

Alvin J. Cowans *incumbent*

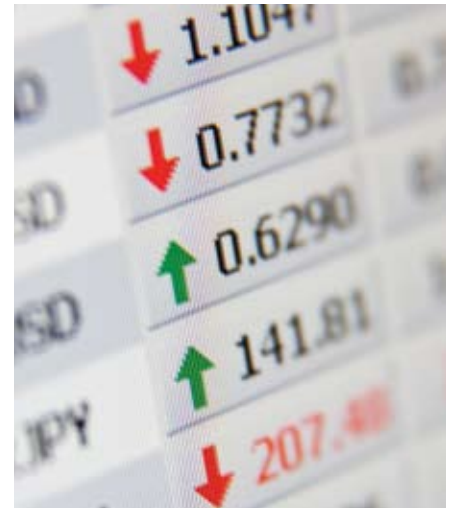
Mr. Cowans currently serves as president/CEO of McCoy Federal Credit Union. He has served in this position since November 1985 and has 30 years of experience in the financial industry. He was named to the Official Registry of the "Outstanding Young Men of America" in 1981 and the "Who's Who of American Business Leaders" in 1991. He was elected into the "Who's Who in American's Credit Unions" in 2007.

Bradley Blake *incumbent*

Mr. Blake, president/CEO of Florida State University Credit Union, has gained experience in virtually every area of the credit union movement throughout his 14 years of service. He served as chief information officer, vice president of administration and executive vice president prior to becoming president and CEO in 2003. Mr. Blake currently serves as the treasurer/secretary for the Credit Union 24 Board.

Jeff Cole

Mr. Cole currently serves as vice president-EFT/payment services for Georgia's Own Credit Union, one of that state's largest credit unions. He has in-depth experience and insight into core areas that are fundamental to the continued success of Credit Union 24. Beyond the scope of his industry training, he has a strong leadership record and has played important roles in seeing Georgia's Own grow and thrive over the last two decades.



CREDIT UNION 24 TO SELL STOCK TO CREDIT UNIONS

Starting in June, Credit Union 24 is again offering stock to non-shareholders. To ensure an equal voice among credit unions regardless of size, only one share was made available for each credit union to purchase. There are great benefits to becoming a shareholder. For example, you get to vote on bylaw changes, elect the board, run to be on the board and get patronage dividends. Bottom line, you have a voice, because you're an owner, too. The cost of the share is \$2,500, and it will be available through September. It's just one more way we empower our members and support the credit union movement.



In Memoriam

Credit Union 24 lost a valued member of its family with the passing of Ed Collins this spring. Ed had recently retired from the Credit Union 24 Board of Directors as well as from LGE Community Credit Union in Georgia. A widely respected advocate for credit unions, Ed selflessly shared his invaluable insights, wisdom and experience while serving in many capacities within the industry. We will dearly miss Ed and offer our deepest sympathy to his family and loved ones.

WHAT DO YOU WANT YOUR CUSTOMER SERVICE EXPERIENCE TO BE?



Sherry L. Mustain
AVP, Client Services

As consumers, many of us have become accustomed to receiving virtually no service. We are given a list of “reasons” why we cannot have what we asked for, told that we expect too much and occasionally even ridiculed as to how unreasonable it is for us to expect to receive fair value in exchange for payment.

As a company, that consumer mentality cannot help but trickle down to impact our business expectations and the expectations of our employees as well in responding to our customers’ problems. And so the deterioration of customer service diminishes for us all.

But at Credit Union 24, this is not true. We do not believe in the words “You have to ...,” “You need to ...” or “You must” We know you do not want to jump through hoops to get your needs met. We believe that our job is not to tell you why you can’t, but rather to provide the path of how you CAN achieve what you ask for and accomplish what you need when you need it. We offer solutions and choices. We demonstrate how to accomplish a difficult objective. We create positive reinforcement for our participants from Day One by repeating, through our actions, our understanding and fulfillment of our participants’ needs. We believe the

path to building a solid partnership is by supporting your continued success. We “get it” that our success depends upon your success. And we understand that each of us plays a customer service role for you that is crucial to building your customer loyalty. Our focus is to deliver our promise to you through each of our service actions every day. By doing things right — thoroughly, accurately and timely — we act as an advocate on your behalf. Credit Union 24 strives to do this by remembering that our Number One Focus is our participating credit unions.

What are some of the earmarks of exemplary customer service? Representatives who listen to what you say. Representatives who repeat your statement back to you to validate their understanding. Representatives who are ably trained to conceptualize what you are trying to accomplish. Representatives who deliver to you as promised. From our President to our IT Department Head, we are all Credit Union 24 Representatives working on your behalf.

So again I pose the question, what do YOU want your customer service experience to be? Here at Credit Union 24, we believe you want it to be courteous, thorough, timely and accurate. And that becomes our service delivery promise to you.

To take advantage of this valuable resource, simply pick up the phone and call your Client Services Representative today.



YOU'RE INVITED CU24 EFT WEBINARS

We admit it, electronic funds transfer (EFT) isn't the easiest thing in the world to understand. Even seasoned industry professionals can use some help.

And that's exactly what we're offering. Credit Union 24 is presenting free online training Webinars. They're open to everyone who participates in the Credit Union 24 network. Join us for an introduction to the ins and outs of EFT as it relates

to the Credit Union 24 network. And it's presented by the veteran industry experts at Credit Union 24.

To sign up, visit our Web site and click on the Participant Portal icon.

AVAILABLE DATES AND TIMES:

June 17, 2009	11:00 a.m. ET
July 22, 2009	11:00 a.m. ET

BOARD OF DIRECTORS

CHAIRMAN

Mansel Guerry

President/CEO,
Mississippi Employees FCU

VICE CHAIRMAN

Chris A. Leggett

EVP/CFO,
LGE Community CU

SECRETARY/TREASURER

Bradley Blake

President/CEO,
Florida State University CU

Alvin J. Cowans

President/CEO,
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Ray E. Cromer, Jr.

President/CEO,
Envision CU

Adrian G. "Casey" Duplantier, Jr.

President/CEO,
1st Advantage FCU

David Mooney

President/CEO,
Alliant CU

Joan Santiago

VP of Operation Support,
IBM Southeast EFCU

David A. Southall

President/CEO,
Innovations FCU

NEW NETWORK PARTICIPANTS

Please join us in welcoming the following new credit union participants that have joined since our last edition.

Avestar Credit Union, Bloomington, MN

O.U.R. Federal Credit Union, Eugene, OR

Healthcare's Cooperative Credit Union, Jacksonville, FL

RENEWALS

Coca-Cola Family FCU, Atlanta, GA

Florida Central Credit Union, Tampa, FL

Georgia Power Valdosta FCU, Valdosta, GA

Grow Financial FCU, Tampa, GA

Hospital Systems Credit Union, Pascagoula, MS

Jackson Area FCU, Jackson, MS

Keesler FCU, Biloxi, MS

Mississippi FCU, Jackson, MS

Pensacola FCU, Pensacola, FL

Richmond Postal Credit Union, Richmond, VA

Tampa Postal FCU, Tampa, FL

West Florida Medical FCU, Pensacola, FL

MISSION STATEMENT:

The mission of Credit Union 24 is to provide affordable access to high-quality EFT services and to be a flexible, trusted partner to the credit union community.

InfoLines 24

Published by Credit Union 24, Inc. For information about InfoLines 24, contact Mary Warren at:

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