



**VIZO FINANCIAL CORPORATE CREDIT UNION  
2021 ANNUAL MEETING  
September 8, 2021**

The 2021 annual meeting of Vizo Financial Corporate Credit Union (Vizo Financial) was called to order by Chair Jerry King at 10:30 a.m. on September 8, 2021, via webinar.

Chair King welcomed the board of directors, supervisory committee, credit committee, member credit unions, staff, and guests to the 2021 annual meeting of Vizo Financial.

Chair King reminded participants that only the Corporate's authorized representatives may address the meeting. In order to properly record the minutes of the meeting, member credit union authorized representatives were asked to identify themselves and the member credit union they represent, prior to addressing the meeting.

Chair King introduced Sam Cortes, attorney at Fox Rothschild LLP as parliamentarian for the meeting.

Chair King introduced himself as chair of Vizo Financial's board of directors, representing DEXSTA Federal Credit Union.

Chair King introduced the board of directors: Scott Woods, vice chair, South Carolina Federal Credit Union; Jeff Chelius, treasurer, Riverfront Federal Credit Union; Scott Weaver, secretary, Carolina Foothills Federal Credit Union; Dan Berry, director, Duke University Federal Credit Union; Genice DeCorte, director, HealthShare Credit Union; Alison DeTuncq, director, University of Virginia Community Credit Union; and Mark Volponi, director, U\$X Federal Credit Union.

Chair King introduced the supervisory committee: Richard C. Burtnett, chair, Belco Community Credit Union; Michal Parker, Secured Advantage Federal Credit Union; and Kimberly Witt, MTC Federal Credit Union.

Chair King introduced the credit committee: Genice DeCorte, chair; Juan Canal, Latino Community Credit Union; and Lisa Lambrecht, ValleyStar Credit Union.

Chair King introduced the Corporate executive staff: David Brehmer, president/CEO; Janice Appleby, chief human resources officer; Joseph Bertotto, chief culture officer; Mark Brown, chief financial officer; Fred Eisel, chief investment officer; Lori Gall, chief risk officer; Rodney May, chief engagement officer; Jeffrey Stoner, chief technology and strategy officer; and Timothy Sustak, chief credit officer. Chair King noted that other Corporate staff were also in attendance.

Chair King appointed Jaime Agostino, marketing and business development director, as the meeting moderator, and Bonnie Cameron as the recording secretary.

Chair King asked Secretary Weaver if a quorum was present. Mr. Weaver reported there was a quorum present.

Chair King asked if there were any corrections or changes to the minutes of the 2020 Vizo Financial annual meeting held on September 16, 2020. There were no corrections or changes, and no objections to approving the September 16, 2020, annual meeting minutes as presented.

#### Report of the Chair:

This year's Annual Report was once again produced in electronic form and a link to the report was provided to all registered attendees. It is also available on the Vizo Financial website.

The official written Chairman/Executives Report appears in the 2020 Annual Report.

There is no easy way to describe what we've all gone through over the past year and a half. As credit unions, as providers of financial services to our communities, as people just trying to live fulfilled lives – the pandemic turned our whole world upside down. There was no telling what type of impact it would have on us or for how long we would be operating within this new pandemic/more remote environment.

But out of the many negatives of the pandemic, we've also experienced a great number of positives. First and foremost is that credit unions have proved as resilient as ever thanks to our cooperative nature. Our predecessors – the great Filene, Desjardins and so on – always had collaboration in mind. Little did they know how useful those building blocks would be all these years later.

Over the course of 2020, and so far in 2021, Vizo Financial has done its best to work with credit unions for their survival and success, as well as our own. We've done this through several strategies:

- collaborating with members to move funds to our EBA account allowing us to control the size of our balance sheet and boost our key ratios.
- collaborating with other corporate credit unions to expand the use of the Central Liquidity Facility as an emergency liquidity vehicle for all credit unions.
- investing in entities that advance our ability to provide future key payment solutions for our members – in May 2020 we acquired Aptys Solutions, LLC with two other corporate credit unions to have greater control over developments in the payments arena.
- partnering with CU\*Answers to provide an upgraded core processing solution to our member credit unions.

- providing member givebacks and fee credits of over \$2.1 million to provide members some financial relief during a very difficult year.
- and just being an ally and partner to our member credit unions because that's what we all needed most.

There is no shortage of generosity and caring among the Vizo Financial family. Our staff, our members, our friends, and partners showed their true colors in the face of some of our most difficult times. It's been a pleasure to see just how amazing our movement can be when we stand together and work as one.

Chair King advised that the reports of the treasurer, credit committee and supervisory committee are printed in the annual report. There were no questions on the reports, and they were accepted as printed.

#### Report of the President/CEO:

Mr. Brehmer thanked the board, the employees, and the members for their continued support over the past 18 months through the pandemic. He also recognized Mr. Jay Murray who co-led the Corporate over the past four and a half years following the merger, and for his service over the past 30 years at both Mid-Atlantic Corporate and Vizo Financial.

Mr. Brehmer emphasized the Corporate's vision of excellence, expertise and engaged partnerships, and the core values that define the organization: integrity above all, passion for service, one unified team and continue to learn.

The major challenge in 2020 was controlling the assets and size of the balance sheet. Assets were consistent at approximately \$4 billion since the merger until 2020 when the pandemic and stimulus packages caused dramatic increases to our deposits. Thanks to the 170 credit unions participating in the excess balance account (EBA) program, we were able to better manage the balance sheet. While we had a record year in adding retained earnings, due to our asset increase capital ratios dropped in 2020.

In 2009 during the financial crisis, U.S. Central was conserved and the three corporates that now make up Vizo Financial wrote off all capital amounting to approximately \$321 million. In 2021, the U.S. Central Estate began disbursing recoveries. A payment of \$24 million was received in April of 2021, and a payment of \$125 million in August 2021, amounting to a 46% recovery of monies previously written off. It now appears possible that Vizo Financial could potentially recover as much as up to 80-85% of the total. The Corporate reserved \$60 million of the \$125 million payment to distribution to capital members impacted by the earlier write downs. Since recoveries to Vizo Financial go to retained earnings, member distributions come out of retained earnings and, per regulation, only current member credit unions are eligible to receive distributions. The first distribution will represent approximately 60% of write offs. It is anticipated that 100% of the write offs will be disbursed to member credit unions following future recovery distributions in 2022. These recoveries in combination with gaining control of

our asset size has positioned the corporate well for the future and helped improve capital ratios here in 2021. The investment portfolio is strong.

Net income was over \$18 million in 2020, a record earnings for Vizo Financial. Staff has been remote since March of 2020, and most will remain remote going forward. In addition to our financial success and ability to serve members, staff unity made this year successful. Credit unions have proved to be extremely resilient as they were impacted by the pandemic to a greater extent than the corporate due to their branch operations. This past year stressed the importance of continuity planning and the ability to operate effectively in a remote environment. We have all learned to take care of our employees, adjust to circumstances, and move forward.

Vizo Financial has remained focused on money management, payments, education, and training, and building the CUaxis community within our partnership with CU\*Answers core processing platform. Key strategies to support our value proposition relate to executing at high levels across all money management and payment services as well as effectively leveraging staff expertise and partnerships to provide solutions credit unions need.

Our commitment is to always do what is in the best long-term interest of our members while recognizing safety and soundness of member funds as our top priority.

Chair King asked if there were any items under old business to be presented. There were no old business items to address.

Chair King asked if there were any items under new business to be presented. There were no new business items to address.

Chair King introduced Genice DeCorte, chair of the nominating committee.

Ms. DeCorte introduced the other members of the nominating committee: Sue DeStephano, First Capital Federal Credit union, and Brian Hedgepeth, Bronco Federal Credit Union, and thanked them for their service.

#### Nominating Committee Report:

The nominating committee met in accordance with the Corporate's bylaws and the following candidates for the 2021 election were selected: Dan Berry, Duke University FCU, Durham, NC; Paul Hughes, Greenville FCU, Greenville, SC; Jerry King, DEXSTA FCU, Wilmington, DE; and Michael Thomas, Service 1<sup>st</sup> FCU, Danville, PA. No recommendations for nomination were rejected and no nominations by petition were received.

Ms. DeCorte announced that Mr. Dan Berry and Mr. Paul Hughes were elected to the Vizo Financial board of directors for three-year terms. There was a tie between Jerry King and Michael Thomas for the third board seat. A special election will be held for the remaining board seat, beginning September 9, and running through September 30, 2021. The membership will be notified of the results. Ms. DeCorte congratulated Mr. Berry and Mr. Hughes on their election.

Chair King acknowledged Mr. Jim McCaw who retired from the board at the end of April 2021. Mr. McCaw has devoted over 35 years as a dedicated leader in the credit union system and the last 15 in the corporate credit union system, as well as in his credit union and community. Chair King and Mr. Scott Woods each shared comments commending Mr. McCaw's leadership and gratitude for his service.

Mr. McCaw expressed his appreciation and thanks.

Chair King asked if there were any objections to adjourning the 2021 Vizo Financial annual meeting. There were no objections. The 2021 Vizo Financial annual business meeting adjourned at 11:10 a.m.

Respectfully submitted,

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R. Scott Weaver, Secretary

Attest: \_\_\_\_\_  
Jerry King, Chair