



October 1, 2024

***** Notice of Special Meeting of the Members on Proposal to Merge *****

On June 19, 2024, the Board of Directors of your credit union, Pinnacle Federal Credit Union, approved a proposition to merge with Garden Savings Federal Credit Union, headquartered in Parsippany, New Jersey. You are encouraged to attend a special meeting of your credit union at our headquarters branch at 2909 Washington Road in Parlin, New Jersey, on Wednesday, December 4, 2024, at 5:30 pm.

Purpose of the Meeting

The meeting has two purposes:

1. To consider and act upon a proposal to merge our credit union with Garden Savings Federal Credit Union, the continuing credit union.
2. To approve the action of the Board of Directors of our credit union in authorizing the officers of the credit union, subject to member approval, to carry out the proposed merger.

If this merger is approved, our credit union will transfer all its assets and liabilities to the continuing credit union. As a member of our credit union, you will become a member of Garden Savings Federal Credit Union. On the effective date of the merger, you will receive share in the continuing credit union for the same shares you now own in our credit union.

The directors of the participating credit unions carefully analyzed the assets and liabilities of the participating credit unions and appraised each credit union's share values. The appraisal of the share values appears on the attached individual and consolidated financial statements of the participating credit unions.

The directors of the participating credit unions have concluded that the proposed merger is desirable for the following reasons:

1. The merged credit union will result in a credit union that stands at over \$500 million in assets, which will position it well for future growth and long-term sustainability and profitability. The resulting credit union will boast a net worth ratio over 8%, which is classified as "well-capitalized" by the National Credit Union Administration.
2. Both credit unions recognize the importance of growth and presence. The newly merged credit union will feature six combined branches (four from GSFCU and two from PFCU) with a coverage area that spans four New Jersey counties (Morris, Essex, Middlesex, and Ocean). **Garden Savings will keep both current Pinnacle branches open for business.**
3. It should be noted that Garden Savings will be retaining two board members from Pinnacle FCU and adding them to the Garden Savings FCU board, so as to maintain quality representation of the Pinnacle legacy.
4. Perhaps most importantly, we believe this newly merged credit union will result in a better credit union for all of the members involved. For Pinnacle members: products and services including the Accelerate Savings Accounts, Platinum Rate Rewards Checking Accounts, and access to Zelle, will be immediate enhancements to their products and service menu. Garden Savings is a member of the shared branching network which means Pinnacle members can still access their accounts in-person at over 5,000 shared branch locations throughout the country. Garden Savings belongs to two surcharge-free ATM networks (Co-Op and Allpoint) which will yield over 85,000 surcharge-free ATMs throughout the country to access. Like Pinnacle, they feature a mobile app, remote check deposit, EZ-Shield security services and much more.
5. There will be no disruption in service. While you will need to make some minor adjustments when we change core systems sometime in mid-2025, for the most part this transition will be seamless to all of our members.

Sayreville Branch: 2909 Washington Road | Parlin, NJ 08859

Brick Branch: 990 Cedar Bridge Ave | Brick, NJ 08723

pinnaclefcu.com | info@pinnaclefcu.com | Phone: 732.225.1505 / 800.742.5050



- Both credit unions are federally insured by the NCUA. Garden Savings also purchases additional private insurance from ESI (Excess Share Insurance) which provides an additional \$250,000 of account insurance, yielding \$500,000 in combined coverage.

Compensation Related to the Proposed Merger

Dennis Fitzpatrick is the current President and CEO of Pinnacle Federal Credit Union. He will continue to be employed as an official, full-time consultant from January 1, 2025, through June 30, 2025, at his regular rate of pay. After this consulting period expires, Mr. Fitzpatrick will receive one year's salary (\$176,400) as a severance package. All other Pinnacle FCU employees will retain employment at Garden Savings Federal Credit Union in the same or similar capacity as their current role, and at their current rate of pay. There are no other compensation packages involved in this merger.

Summary

The Board of Directors of our credit union believes that the merger should not include an adjustment in shares since both credit unions have similar share valuations.

The main office of the continuing credit union will be Garden Savings Federal Credit Union's headquarters at 129 Littleton Road in Parsippany, NJ 07054. They have additional branches at 120 Ferry Street in Newark, 23 Scotland Road in South Orange, and 23 Prospect Street in Dover. Again, our Parlin and Brick offices will remain open for your convenience.

The merger must have the approval of the majority of members of the credit union who vote on the proposal. 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 the credit union office at 2909 Washington Rd, Parlin, NJ, 08859 by no later than December 4, 2024. To be counted, your ballot must reach us by the date and time announced for the meeting. You may also submit comments on this proposed merger online by visiting:

<https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers>

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink that reads "Nick Danza".

10/1/2024

Nick Danza
Board Presiding Officer

Date