



***SYNERGY PARTNERS***

## **CREDIT UNION**

### **Notice of Special Meeting of the Members of Synergy Partners Credit Union**

The Board of Directors of Synergy Partners Credit Union approved a proposition to merge with Credit Union 1 and have called a special meeting of the members of this credit union with the special meeting to be held at Synergy Partners Credit Union, 11615 S. Avenue O, Chicago, IL 60617 on January 8, 2025, at 4:00 pm.

#### **Purpose of the Meeting:**

1. To consider and act upon a proposal to merge Synergy Partners Credit Union with Credit Union 1, (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of Synergy Partners Credit Union will be merged with and into the Continuing Credit Union. All members of Synergy Partners 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 Synergy Partners 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 Synergy Partners Credit Union, subject to approval of members, to carry out and execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of Synergy Partners Credit Union encourages you to attend the meeting concerning the proposed merger. Illinois permits voting on merger proposals only at the meeting or by proxy. If you DO have a proxy on file at the credit union, to vote in FAVOR of the merger, you may attend and vote in person at the meeting or, do nothing and the Board of Directors will vote in favor of the merger in your stead. If you DO NOT have a proxy on file, you may attend the meeting to vote in person or find enclosed a proxy form which should be completed and returned as instructed, which designates the Board of Directors to vote your proxy. (Please note that a proxy form will only be enclosed if you DO NOT already have a proxy on file at the credit union).

To vote AGAINST the merger, you must either attend in person and vote at the meeting or designate another member who is attending the meeting as your proxy. If there is no proxy enclosed with this notice, you have a proxy on file with the credit union, and to vote NO, you must revoke that proxy

by giving written notice to the board secretary Reyes Calvillo at 11615 S. Avenue O, Chicago, IL 60617. Then assign a new proxy to an attending member.

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 the following link: <https://www.ncua.gov/support-services/credit-union-resources-expansion/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 Synergy Partners Credit Union

The NCUA will post comments received from members on its website, along with the members name, subject to the limitations and requirements of its regulations.

### ***Other Information Related to the Proposed Merger***

The Board of Directors has 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. In addition, the following information applies to the proposed merger:

*Reasons for merger:* The Board of Directors concluded that the proposed merger is desirable and in the best interest of members because Credit Union 1 operates with the technology and systems that align with our members' needs. Their internal core values align with our own and give us confidence our membership will experience a much-needed upgrade in the quality of service we are unable to provide in this economic environment. We believe a synergy exists between the two credit unions and this partnership will benefit all involved.

*Net worth:* The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Synergy Partners Credit Union has a higher net worth ratio than Credit Union 1.

*Share adjustment or distribution:* Synergy Partners 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 Synergy Partners Credit Union's net worth is unnecessary because the members of Synergy Partners Credit Union will have a host of updated services and options with Credit Union 1 that we are unable to provide in this economic environment.

*Locations of merging and continuing credit union:* Synergy Partners Credit Union's branch locations will remain open and become a part of Credit Union 1's nationwide branch locations. The continuing credit union branch locations will be as follows:

1. 200 E. Champaign Avenue, Rantoul, IL
2. 828 S. Wolcott, Chicago, IL (UIC)
3. 750 S. Halsted, Room 220C, Chicago, IL (UIC)
4. 9441 Kedzie Avenue, Evergreen Park, IL
5. 4749 Lincoln Mall Drive, Ste. 101, Matteson, IL
6. 863 N. Milwaukee Avenue, Unit 500, Vernon Hills, IL
7. 450 E 22nd Street, Suite 250, Lombard, IL (Corporate Headquarters of CU1)
8. 6 West North Avenue, Suite 100, Northlake, IL
9. 2466 W. Wabash, Suite 240, Springfield, IL
10. 2032 N. Halsted, Chicago, IL
11. 4625 W. 107<sup>th</sup> Street, Oak Lawn, IL 60453
12. 6 W. Main Street, Plano, IL 6054
13. 1500 Barber Greene Road, Dekalb, IL 60115
14. 501 W. Main Street, Genoa, IL 60135
15. 508 W. State Street, Sycamore, IL 60178
16. 1140 East Howard Street, B3, South Bend, IN (Notre Dame)
17. 680 Union Street, Hobart, IN 46342
18. 2651 Paseo Verde Parkway, Henderson, NV (West Operations Center)
19. 1237 Clairmont Road, Decatur, GA (East Operations Center)
20. 604 13<sup>th</sup> Avenue E, Bradenton, FL 34208
21. 34200 Utica Road, Fraser, MI 48026
22. 15850 W. Bluemound Road, Brookfield, WI 53005
23. 11615 S. Avenue O, Chicago, IL 60617 (SPCU)

ATM information: Please see [www.creditunion1.org](http://www.creditunion1.org) for ATM related information.

*Changes to services and member benefits:* In addition to your current service(s), you will have expanded service offerings in the form of consumer and commercial lending, which includes real estate lending services. In addition, a refreshed and recently updated online and mobile banking platform.

*Effective date of merger:* The proposed effective date of this merger is March 31, 2025, or such earlier or subsequent date as approved by the Parties, Directors, Division of Financial Institutions for the State of Illinois and the National Credit Union Administration or any successor agency thereto.

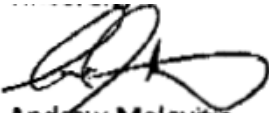
*Employee Representation:* Employees of Synergy Partners Credit Union will be offered employment with Credit Union 1.

*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.

Based upon the following personnel's valuable institutional knowledge, credit union related relationships, experience with the culture and operations of Synergy Partners Credit Union and their continued contributions and best efforts to the success of the combined entity post-merger, the following will be provided a one-time retention bonus in the following amounts and have their annual total compensation increase by the following amounts: Brian Blaszak, CEO, retention bonus \$75,000 and his annual salary will increase by \$16,000 until his retirement on June 30, 2025. Sonia Perez, Branch Manager, retention bonus \$25,000 and annual salary will increase by \$23,000 post-merger. Margarita Padilla-Lizama, Banker, retention bonus of \$5,000 and her annual salary will increase by \$6,800.

Please note that the proposed merger must be approved by the majority of the members who vote. If you cannot attend the meeting, please follow the directions for proxy voting on the first page of this notice.

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



**Andrew Malevitis**  
**Chairperson of the Board**  
**Synergy Partners Credit Union**

**October 17, 2024**

Date

# MERGER PROXY

I hereby delegate and appoint the members of the Board of Directors of: Synergy Partners Credit Union, my proxy with full power to vote for me at the meeting to be held on the 8<sup>th</sup> day of January 2025 at 4:00 PM o'clock at Synergy Partners Credit Union whose address is 11615 S. Avenue O, Chicago, IL 60617 for the purpose of merging with Credit Union 1, hereby giving and granting to them my said proxy to act for and represent me at such meeting or any adjournment, as freely as I might do if I were personally present and acting in my own behalf.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Account No.: \_\_\_\_\_

**Balance Sheet**  
**As of June 30, 2024**

	<u>CU1</u>	<u>SPCU</u>	<u>Combined</u>
<b>Current Assets:</b>			
Total Loans	\$ 1,115,601,000	\$ 2,181,643	\$ 1,117,782,643
Deferred Costs/Fees	2,798,011	24,769	2,822,780
Allowance	<u>(8,779,386)</u>	<u>(33,652)</u>	<u>(8,813,037)</u>
Total Loans (Net)	1,109,619,625	2,172,760	1,111,792,385
Cash	359,320,197	229,979	359,550,176
Investments	58,952,070	9,370,544	68,322,614
Other Assets	<u>111,198,122</u>	<u>45,330</u>	<u>111,243,451</u>
<b>Total Current Assets:</b>	1,639,090,013	11,818,613	1,650,908,626
<b>Fixed Assets Net</b>	22,172,099	56,397	22,228,496
<b>Total Assets</b>	<b><u>1,661,262,112</u></b>	<b><u>11,875,010</u></b>	<b><u>1,673,137,122</u></b>
<b>Current Liabilities:</b>			
Accounts Payable	61,180,240	21,793	61,202,032
Notes Payable	54,945,137	-	54,945,137
<b>Members Equity:</b>			
Regular Shares	432,030,792	7,106,294	439,137,086
Money Market Shares	112,225,479	-	112,225,479
High Yield Savings	268,794,207	-	268,794,207
Checking	324,792,180	-	324,792,180
Certificates	228,279,575	1,220,203	229,499,778
IRA Shares and IRA Certificates	<u>37,470,718</u>	<u>822,213</u>	<u>38,292,931</u>
<b>Total Shares:</b>	1,403,592,951	9,148,710	1,412,741,661
Reserves	17,531,207	175,000	17,706,207
Undivided Earnings	120,742,806	2,526,276	123,269,082
Unrealized G/L - AFS	-	-	-
Net Income	<u>3,269,772</u>	<u>3,232</u>	<u>3,273,004</u>
<b>Total Capital:</b>	141,543,785	2,704,508	144,248,292
<b>Total Liabilities &amp; Equity</b>	<b><u>\$ 1,661,262,112</u></b>	<b><u>\$ 11,875,010</u></b>	<b><u>\$ 1,673,137,122</u></b>

**Income and Expense Statement**  
**Year-to-Date June 2024**

	<u><b>CU1</b></u>	<u><b>SPCU</b></u>	<u><b>Combined</b></u>
Loan Income	\$ 29,653,338	\$ 59,949	\$ 29,713,287
Investment Income	10,260,595	117,156	10,377,751
Other Income	9,703,283	18,518	9,721,801
<b>Total Income</b>	<b>49,617,217</b>	<b>195,622</b>	<b>49,812,839</b>
Compensation/Benefits	17,478,989	80,452	17,559,441
Meetings, Travel & Conference	353,634	-	353,634
Office Occupancy	3,610,544	25,633	3,636,177
Office Operations	7,649,826	41,358	7,691,184
Educational & Promotional	794,874	250	795,123
Loan Servicing Expense	1,746,137	13,064	1,759,201
Professional Services	1,378,073	6,900	1,384,973
Provision for Loan losses	2,041,478	-	2,041,478
Member Insurance	-	-	-
Operating Fees and Association Dues	313,246	-	313,246
Depreciation & Amortization	-	-	-
Misc Operating Expenses	-	6,055	6,055
<b>Total Operating Expenses</b>	<b>35,366,801</b>	<b>173,712</b>	<b>35,540,513</b>
Operating Income/(Loss) Before Dividends	14,250,416	21,910	14,272,326
NCUA Stabilization	-	-	-
Gain/(Loss) on Disposition of Assets	60,919	-	60,919
Other Non-Operating Income/(Loss)	-	-	-
<b>Income/(Loss) Before Dividends</b>	<b>14,311,335</b>	<b>21,910</b>	<b>14,333,244</b>
Dividend Expenses	9,818,019	18,677	9,836,697
Interest on Borrowed Money	1,223,543	-	1,223,543
<b>Net Income</b>	<b>\$ 3,269,772</b>	<b>\$ 3,232</b>	<b>\$ 3,273,004</b>
<b>Probable Asset/Share Ratio</b>	<b>1.10</b>	<b>1.30</b>	<b>1.10</b>
<b>Net Capital/Asset Ratio</b>	<b>10.10%</b>	<b>22.77%</b>	<b>8.62%</b>
<b>Net Capital/Asset Ratio (excluding AFS)</b>	<b>10.10%</b>	<b>22.77%</b>	<b>8.62%</b>
<b>Delinquency Ratio</b>	<b>1.11%</b>	<b>2.99%</b>	<b>1.12%</b>

Form 6311 - Probable Asset/Share Ratio  
Proposed Merger between Synergy Partners Credit Union  
As of June 30, 2024

	<u>Credit Union 1</u>	<u>SPCU</u>	<u>Combined</u>
<b>Additions:</b>			
Cash	\$ 359,320,197	\$ 229,979	\$ 359,550,176
Loans (Net)	1,109,619,625	2,172,760	1,111,792,385
Investments	58,952,070	9,370,544	68,322,614
Fixed Assets	22,172,099	56,397	22,228,496
Other assets	111,198,122	45,330	111,243,451
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<b>Total (A)</b>	<b>1,661,262,112</b>	<b>11,875,010</b>	<b>1,673,137,122</b>
<b>Deductions:</b>			
Notes Payable	54,945,137	-	54,945,137
Accounts Payable	61,180,240	21,793	61,202,032
Other recorded Liabilities	-	-	-
Contingent and/or Unrecorded Liabilities	-	-	-
Subsidiary Ledger Differences (Losses)	-	-	-
Other Losses	-	-	-
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<b>Total (B)</b>	<b>116,125,377</b>	<b>21,793</b>	<b>116,147,169</b>
<b>Net Value of Assets (A-B)</b>	<b><u>\$ 1,545,136,735</u></b>	<b><u>\$ 11,853,218</u></b>	<b><u>\$ 1,556,989,953</u></b>
Total Shares	1,403,592,951	9,148,710	1,412,741,661
<b>Probable Asset/Share Ratio</b>	<b>1.10</b>	<b>1.30</b>	<b>1.10</b>