

01546433

(b)(6)

(b)(6)

FILED
Secretary of State
State of California

(b)(6)

DEC 20 2019

(b)(6)

PLAN OF MERGER OF
SCHOOLS FINANCIAL CREDIT UNION INTO
SCHOOLSFIRST FEDERAL CREDIT UNION

This Plan of Merger is agreed to between SchoolsFirst Federal Credit Union, a federal credit union, the continuing/surviving credit union ("Surviving Credit Union"), and Schools Financial Credit Union, a California state-chartered credit union, the merging/disappearing credit union ("Disappearing Credit Union"). The parties agree as follows:

1. The Disappearing Credit Union shall merge with and into the Surviving Credit Union.
2. Each membership in the Disappearing Credit Union shall be converted into a membership in the Surviving Credit Union. Each membership in the Surviving Credit Union shall remain a membership in the Surviving Credit Union.
3. The field of membership shall be that of the Surviving Credit Union.
4. Except any National Credit Union Administration amendments to the field of membership in Section 5 of Surviving Credit Union's Charter, the Charter of the Surviving Credit Union, as in effect immediately prior to the effective date of the merger, shall remain the Charter of the Surviving Credit Union.
5. The bylaws of Surviving Credit Union, as in effect immediately prior to the effective date of the merger, shall remain the bylaws of the Surviving Credit Union.
6. The Board of Directors of the Surviving Credit Union shall be made up of thirteen (13) seats comprised of eleven (11) members from the Surviving Credit Union and two (2) members from the Disappearing Credit Union after the merger. The Supervisory Committee of the Surviving Credit Union immediately prior to the effective date of the merger shall remain as the Supervisory Committee of the Surviving Credit Union after the merger. The President/CEO of the Surviving Credit Union, Bill Cheney, will remain the President/CEO of the Surviving Credit Union after the merger. The senior management of Surviving Credit Union immediately prior to the effective date of the merger shall manage the Surviving Credit Union. Tim Marriot, the President/CEO of the Disappearing Credit Union, shall join the senior management team of Surviving Credit Union upon the effective date of the merger.
7. The parties agree that the Disappearing Credit Union will distribute a portion of its net worth to its members in the form of a special dividend, totaling up to \$4 million dollars. The special dividend will be distributed on a one-time (pro-rata) basis to eligible members of Disappearing Credit Union as a result of the merger.
8. Upon consummation of the merger, the Surviving Credit Union shall succeed, without other transfer, to all the rights and property of the Disappearing Credit Union and shall be subject to all the debts, liabilities, and obligations of the Disappearing Credit Union in the same manner as if incurred by the Surviving Credit Union.

01546433

9. All prepaid insurance premiums of the Disappearing Credit Union will be applied to the Surviving Credit Union in any equitable manner to which the applicable insurance carrier may agree.
10. All rights of creditors and all liens and trusts upon or arising from the property of the Surviving Credit Union and the Disappearing Credit Union shall be preserved unimpaired, provided that the liens and trust obligations upon property of a Disappearing Credit Union shall be limited to the property affected thereby immediately prior to the time the merger is effective.
11. Any action or proceeding pending by or against the Disappearing Credit Union may be prosecuted to judgment, which shall bind the Surviving Credit Union, or the Surviving Credit Union may be proceeded against or substituted in its place.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Plan of Merger of May 15,
2019.

SCHOOLS FINANCIAL CREDIT UNION
(Disappearing/Merging Credit Union)

SCHOOLSFIRST FEDERAL CREDIT
UNION
(Surviving/Continuing Credit Union)

(S) _____
[Name]
Chairperson of the Board

(S) _____
(b)(6)
Lynn April Hartline
Chairperson of the Board

(S) _____
[Name]
Secretary

(S) _____
(b)(6)
Linda Salata
Secretary

IN WITNESS WHEREOF, the parties hereto have executed this Plan of Merger of May 15,
2019.

SCHOOLS FINANCIAL CREDIT UNION
(Disappearing/Merging Credit Union)

SCHOOLSFIRST FEDERAL CREDIT
UNION
(Surviving/Continuing Credit Union)

(S) (b)(6)
Marie B. Smith
Chairperson of the Board

(S)
[Name]
Chairperson of the Board

(S) (b)(6)
Dolores Bleekman
Secretary

(S)
[Name]
Secretary

01546433

CERTIFICATE OF MERGER

The undersigned certify that:

1. They are the Chairman of the Board and Secretary of SCHOOLSFIRST FEDERAL CREDIT UNION ("Continuing Credit Union").
2. A plan of merger with SCHOOLS FINANCIAL CREDIT UNION has been duly approved by the board of directors of the credit union.
3. A copy of the plan of merger is attached and a copy of the written approval by the Commissioner of the Department of Business Oversight is attached hereto.
4. The total number of members of the Continuing Credit Union is 931,049 as of November 30, 2019. However, no vote of the Continuing Credit Union is required.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

DATE: December 17, 2019

(b)(6)

Marcy Gowdy
Chairman of the Board

(b)(6)

Adam Connor
Secretary

01546433

CERTIFICATE OF MERGER

The undersigned certify that:

1. They are the Chairperson of the Board and Secretary of SCHOOLS FINANCIAL CREDIT UNION ("Merging Credit Union").
2. A plan of merger with SCHOOLSFIRST FEDERAL CREDIT UNION has been duly approved by the board of directors of the credit union.
3. A copy of the plan of merger is attached hereto and a copy of the written approval by the Commissioner of the Department of Business Oversight is attached hereto.
4. If the credit union is the surviving credit union in the merger, this paragraph 4 does not apply. If the credit union is the merging credit union in the merger, check whether paragraph A, B or C below is applicable:
 - A. The total number of members of the merging credit union is 157,655 and the plan of merger has been duly approved by the required vote of the members pursuant to Section 15201 (a) or (b) of the Financial Code.
 - B. The total number of members of the merging credit union is _____ and the plan of merger has been duly approved by the required vote of the members pursuant to National Credit Union Administration Rules.
 - C. No vote of the members of the merging credit union was required, the Commissioner of the Department of Business Oversight having approved the merger pursuant to subdivision (c) of Section 15201 of the Financial Code.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

DATE: December 12, 2019

(b)(6)

Marie B. Smith
Chairperson of the Board

(b)(6)

Dolores Bleekman
Secretary

01546433



National Credit Union Administration
Office of National Examinations and Supervision

September 18, 2019

SENT BY EMAIL

Mr. Tim Marriott
President and CEO
Schools Financial CU
1485 Response Road #126
Sacramento, CA 95815

Mr. Bill Cheney
President and CEO
SchoolsFirst FCU
2115 N. Broadway
Santa Ana, CA 92706

Dear Messrs. Marriott and Cheney:

I approve the proposed merger of Schools Financial Credit Union (charter # 68398) into SchoolsFirst Federal Credit Union (charter # 24212), contingent on:

1. Schools Financial Credit Union providing the finalized member notice to the Office of Credit Union Resources and Expansion (CURE) at least fifteen (15) calendar days prior to mailing it to its members. Note: This must be the same member notice submitted to the National Credit Union Administration on September 16, 2019.
2. Approval of the merger by Schools Financial Credit Union's membership.
3. Adoption of the proposed Bylaw amendment by Schools Financial Credit Union to make the field of membership (FOM) compatible with SchoolsFirst Federal Credit Union.

(b)(4); (b)(8)

Membership Vote

Schools Financial Credit Union must conduct the membership vote in accordance with Section 708b.106 of the NCUA Rules and Regulations. The members must receive written notice, ballot, and any additional materials at least 45 calendar days, but no more than 90 calendar days, before the member meeting. The member notice provides details of the member-to-member (MTM) communication process.

To allow CURE time to set up a URL address specific to this merger, the merging credit union must email, at least fifteen (15) calendar days prior to mailing the notice to the members, a copy of the notice to CURE at CUREMail@ncua.gov, using the format below:

SUBJECT: *MTM Communication Member Notice for Schools Financial Credit Union, Charter/Insurance Number 68398*

- The date (mm/dd/yy) the member notice and ballot are scheduled for mailing to the members.

01546433

Messrs. Marriott and Cheney
Page 2

- A signed PDF copy of the approved member notice containing the MTM-URL Address of <https://www.ncua.gov/support-services/credit-union-resources-expansion/resources/comments-proposed-credit-union-mergers>.
- The name and phone number of the merging credit union's contact person.

As soon as the balloting is complete, please forward to ONESMAIL@NCUA.GOV the results using form NCUA 6308A, *Certification of Vote on Merger Proposal*. If approved by the membership of Schools Financial Credit Union, you may proceed to combine the records and operations.

Completion of Merger

Within 30 days of completion of the merger, please forward to ONESMAIL@NCUA.GOV the information or documents listed below:

- The merger effective date (date the records were combined);
- Financial reports for both credit unions immediately prior to the merger;
- A combined financial report as of the effective date of the merger;
- The original NCUA share insurance certificate and charter of the merging credit union;
- A signed and notarized *Merger Agreement*, NCUA 6304; and
- A *Certification of Completion of Merger*, NCUA 6309.

All mergers are required to observe Accounting Standards Codification (ASC) Topic 805, *Business Combinations*, and ASC Topic 820, *Fair Value Measurements and Disclosures* methods when combining records. The continuing credit union must ensure the proper accounting method for the merger is used.

As soon as we receive and review the above information, NCUA will arrange for the consolidation of the capitalization deposits. Please contact National Supervision Analyst (b)(6) (b)(6) if you have any questions.

Sincerely,

(b)(6)

Scott A. Hunt
Director

cc: Chairperson Marcy Gowdy, SchoolsFirst FCU
Chairperson Marie Smith, Schools Financial CU
Portfolio Manager (b)(6) California Division of Financial Institutions
Kristina A. Del Vecchio, Joseph & Cohen
Regional Director Cherie Freed, NCUA Western Region
NCUA Office of Credit Union Resource and Expansion

ONES/ (b)(6)

**Schools Financial Credit Union
Balance Sheet**

(Categorized per SFFCU Reports)

12/31/2019

ASSETS

Cash and Cash Equivalents 236,276,440

Investments

Available-For-Sale (AFS) 153,237,183

Held-To-Maturity (HTM) 40,494,088

Restricted Investment 7,272,600

Total Investments Including CD's 437,280,311

Loans

Loans Held for Sale -

First Mortgage Loans 445,941,387

Equity Loans 69,527,570

Vehicle Loans 955,180,784

Credit Card Loans 70,353,676

Commercial Real Estate 63,682,254

Unsecured and Other Consumer Loans 34,491,122

Total Loans 1,639,176,793

(Less) Allowance for Loan Losses (9,361,611)

Net Loans Outstanding 1,629,815,183

Other Assets

Accrued Interest Receivable 6,936,684

Property and Equipment 19,369,218

Intangibles

Other Assets 56,674,274

TOTAL ASSETS 2,150,075,669

LIABILITIES, SHARES & EQUITY

Liabilities

Accrued Expenses and Other Liabilities 19,615,101

Borrowings

Total Liabilities 19,615,101

Shares

Share Drafts 377,530,912

Member Shares 643,881,820

Money Market Accounts 520,977,614

Club Accounts

Share Certificates 237,797,157

IRA Accounts 80,848,185

Deferred Compensation 3,760,842

Total Shares 1,864,796,531

Reserves & Undivided Earnings

Regular Reserve 263,732,961

Undivided Earnings 500,000

Acquired Equity

Accumulated Other Comprehensive Income (Loss) 1,431,076

Total Reserves and Undivided Earnings 265,664,037

TOTAL LIABILITIES, SHARES & EQUITY 2,150,075,669

Schools Financial Credit Union
Income Statement

December 31, 2019

(Categorized per SFFCU Reports)	<u>Month to Date</u>	<u>Year to Date</u>
INTEREST INCOME		
Interest Income		
Loans	5,645,281	62,673,007
Investments	573,249	8,685,372
Total Interest Income	<u>6,218,531</u>	<u>71,358,379</u>
Interest Expense		
Member Dividends	4,924,898	14,113,668
Derivatives	-	-
Borrowings	293	309
Total Interest Expense	<u>4,925,191</u>	<u>14,113,977</u>
Net Interest Income	<u>1,293,340</u>	<u>57,244,402</u>
Provision for Loan Losses	800,000	5,700,000
Net Interest Income after Provision	<u>493,340</u>	<u>51,544,402</u>
Non-Interest Income		
Member Fees	916,484	10,342,556
Card Fees	1,251,384	11,419,619
Other Operating	763,126	4,870,070
Gain(Loss) on Investments	-	-
Gain(Loss) on Sale of Loans	-	-
Other Non-Operating Gain (Loss)	(12,247)	3,964,656
Total Non-Interest Income	<u>2,918,746</u>	<u>30,596,901</u>
Non-Interest Expense		
Teammember Compensation	2,064,478	22,831,677
Teammember Benefits	591,765	4,520,981
Travel & Conference	93,359	585,143
Association Dues	9,583	114,992
Office Occupancy	287,416	3,425,358
Office Operations	970,714	10,798,837
Educational & Promotional	51,256	680,740
Loan Servicing	313,447	3,584,553
Professional & Outside Services	(1,453)	613,574
Member Insurance	-	-
Operating Fees	20,510	227,199
Operating Losses	514,434	2,751,288
Total Non-Interest Expense	<u>4,915,508</u>	<u>50,134,342</u>
Net Income (Loss)	<u><u>(1,503,422)</u></u>	<u><u>32,006,961</u></u>

Instructions for NCUA 6304: You must submit a proposed Merger Agreement to the NCUA Regional Director with the initial merger package addressing Item 2, when applicable. Do not sign, date, or notarize the proposed agreement.

At the completion of the merger, officials of the merging and continuing credit unions must complete this agreement, have it notarized, and the continuing credit union should retain the original document. Send one copy of the executed form to the NCUA Regional Director (see Form NCUA 6309). The date you sign this document is the effective date of the merger.

Merger Agreement

This agreement, made and entered into this 1st day of January, 2020, by and between SchoolsFirst Federal Credit Union (continuing credit union) and Schools Financial Credit Union (merging credit union).

The continuing credit union and the merging credit union agree to the following terms:

1. The merging credit union will transfer to the continuing credit union all of its assets, rights, and property.
2. The continuing credit union will assume and pay all liabilities of the merging credit union. In addition, the continuing credit union will issue all members of the merging credit union the same amount of shares they currently own in the merging credit union, subject to the following share adjustments (if any):

A special member bonus dividend with a total of up to \$4.0 million will be distributed on a one-time (pro-rata) basis as a result of the merger to members of Merging Credit Union. The distribution will occur on or about the effective date of the merger.

SchoolsFirst Federal (continuing) Credit Union

by:

Board Presiding Officer

Treasurer

Schools Financial (merging) Credit Union

by:

(b)(6)

Board Presiding Officer

(b)(6)

Treasurer

CALIFORNIA REQUIRED FORM

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Sacramento)

On December 17th 2019 _____, before me, Rebecca Rose Hammond, a notary public
Date Name and Title of Officer (Notary Public)

personally appeared
Marie Bauer Smith ; Douglas Neil Sato
Names of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(b)(6)

Signature of Notary Public



Place Notary Seal Above

CALIFORNIA REQUIRED FORM

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Sacramento)

On December 17th 2019 , before me, Rebecca Rose Hammond, a Notary Public
Date Name and Title of Officer (Notary Public)

personally appeared
Marie Bauer Smith and Douglas Neil Sato
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(b)(6)

Signature of Notary Public



Place Notary Seal Above

Instructions for NCUA 6304: You must submit a proposed Merger Agreement to the NCUA Regional Director with the initial merger package addressing Item 2, when applicable. Do not sign, date, or notarize the proposed agreement.

At the completion of the merger, officials of the merging and continuing credit unions must complete this agreement, have it notarized, and the continuing credit union should retain the original document. Send one copy of the executed form to the NCUA Regional Director (see Form NCUA 6309). The date you sign this document is the effective date of the merger.

* * * * *

Merger Agreement

This agreement, made and entered into this 1st day of January, 2020, by and between SchoolsFirst Federal Credit Union (continuing credit union) and Schools Financial Credit Union (merging credit union).

The continuing credit union and the merging credit union agree to the following terms:

1. The merging credit union will transfer to the continuing credit union all of its assets, rights, and property.
2. The continuing credit union will assume and pay all liabilities of the merging credit union. In addition, the continuing credit union will issue all members of the merging credit union the same amount of shares they currently own in the merging credit union, subject to the following share adjustments (if any):

A special member bonus dividend totaling at least \$3.3 million will be distributed on a one-time (pro-rata) basis as a result of the merger to members of Merging Credit Union. The distribution will occur on or about the effective date of the merger.

SchoolsFirst Federal (continuing) Credit Union

by: (b)(6)
Board Presiding Officer

(b)(6)
Treasurer

Schools Financial (merging) Credit Union

by: _____
Board Presiding Officer

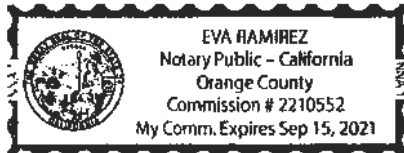
Treasurer

State of California

County of Orange

Before me a Notary Public (or other authorized officer) appeared the above named Marcy Gowdy and Greg Marchant, Board Presiding Officer and Treasurer of SchoolsFirst Federal Credit Union, who being personally known to me as (or proved by the oath of credible witnesses to be) the persons who executed the annexed instrument acknowledged the same to be their free act and deed and in their respective capacities the free act and deed of said credit union.

(SEAL)



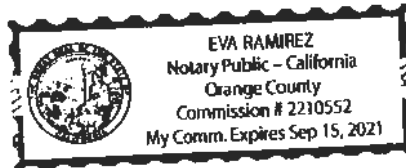
Notary Public
My commission expires September 15, 2021.

State of California

County of Orange

Before me a Notary Public (or other authorized officer) appeared the above named and _____, Board Presiding Officer and Treasurer of Schools Financial Credit Union, who being personally known to me as (or proved by the oath of credible witnesses to be) the persons who executed the annexed instrument acknowledged the same to be their free act and deed and in their respective capacities the free act and deed of said credit union.

(SEAL)



Notary Public
My commission expires September 15, 2021.

State of California

County of Orange

(See attached acknowledgement)

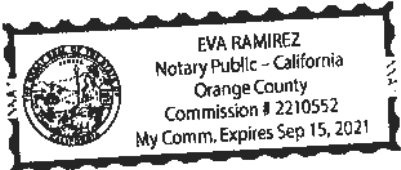
CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange }
On December 17, 2020 before me, Eva Ramirez, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Mary Gaudin and Greg Thurnmont
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.
(b)(6)
Signature Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: Member Agreement
Document Date: 1/1/2020 Number of Pages: 1
Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:
[] Corporate Officer -- Title(s):
[] Partner -- [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:
Signer is Representing:

Instructions for NCUA 6309: Within 30 days after the effective date of the merger, the continuing credit union must complete this form and mail it to the NCUA Regional Director with the documents requested on the form.

Certification of Completion of Merger into Credit Union

(Continuing)

SchoolsFirst Federal Credit Union

We, the undersigned officers of the above-named credit union, certify to the National Credit Union Administration as follows:

1. The merger of our credit union with Schools Financial Credit Union was completed as of January 1, 2020 (date of the executed merger agreement) according to the terms and plan approved by this Board of Directors by a resolution adopted at the meeting held on March 16, 2019. We previously provided a certified copy of the resolution to the National Credit Union Administration.
2. We completed all required steps for the merger and transferred the merging credit union's assets.

Attached to this certification are the following documents:

1. Financial reports for each credit union immediately before the completion of the merger.
2. A consolidated financial report for the continuing credit union immediately after the completion of the merger.
3. The charter of the merging federal credit union (if available).
4. The insurance certificate for the merging federally insured credit union (if available).
5. A copy of the executed merger agreement, Form NCUA 6304.

This certification signed the ^{28th} day of January, 2020 .

(b)(6)

Board Presiding Officer

(b)(6)

Treasurer



National Credit Union Administration
Office of National Examinations and Supervision

February 5, 2020

SENT BY EMAIL

Mr. Bill Cheney
President and CEO
SchoolsFirst Federal Credit Union
2115 N. Broadway
Santa Ana, CA 92706

Dear Mr. Cheney:

The merger of Schools Financial Credit Union into SchoolsFirst Federal Credit Union is complete. Accordingly, we are canceling Schools Financial Credit Union's insurance certificate effective January 1, 2020.

The capitalization balance of Schools Financial Credit Union will be credited to SchoolsFirst Federal Credit Union's capitalization account. Please verify the consolidated balance when you receive your next share insurance statement. If the balance is incorrect, please contact the Office of the Chief Financial Officer at (703) 518-6570.

If you have any questions, please contact the Office of National Examinations and Supervision at (703) 518-6640 or ONESMAIL@NCUA.GOV.

Sincerely,

(b)(6)

Scott A. Hunt
Director

cc: Marcy Gowdy, Chairperson, SchoolsFirst FCU
Kristina A. Del Vecchio, Joseph & Cohen Professional Corporation
Laura Leung, Portfolio Manager, California Division of Financial Institutions
Cherie Freed, NCUA Western Regional Director
NCUA Office of Credit Union Resource and Expansion

ONES (b)(6)



National Credit Union Administration
Office of National Examinations and Supervision

February 5, 2020

SENT BY EMAIL

Mr. Bill Cheney
President and CEO
SchoolsFirst Federal Credit Union
2115 N. Broadway
Santa Ana, CA 92706

Dear Mr. Cheney:

The merger of Schools Financial Credit Union into SchoolsFirst Federal Credit Union is complete. Accordingly, we are canceling Schools Financial Credit Union's insurance certificate effective January 1, 2020.

The capitalization balance of Schools Financial Credit Union will be credited to SchoolsFirst Federal Credit Union's capitalization account. Please verify the consolidated balance when you receive your next share insurance statement. If the balance is incorrect, please contact the Office of the Chief Financial Officer at (703) 518-6570.

If you have any questions, please contact the Office of National Examinations and Supervision at (703) 518-6640 or ONESMAIL@NCUA.GOV.

Sincerely,

(b)(6)

Scott A. Hunt
Director

cc: Marcy Gowdy, Chairperson, SchoolsFirst FCU
Kristina A. Del Vecchio, Joseph & Cohen Professional Corporation
Laura Leung, Portfolio Manager, California Division of Financial Institutions
Cherie Freed, NCUA Western Regional Director
NCUA Office of Credit Union Resource and Expansion

ONES (b)(6)

GLENDALE MAIN OFFICE
550 N. BRAND BOULEVARD
SUITE 550
GLENDALE, CA 91203
TEL: 818.241.0103

ATTORNEYS AT LAW
SW&M

PLEASANTON OFFICE
4695 CHABOT DRIVE
SUITE 200
PLEASANTON, CA 94588
TEL: 925.558.2739

STYSKAL, WIESE & MELCHIONE, LLP

FAX: 818.241.5733 | EMAIL: swm.info@swmlp.com

L.J. STYSKAL / DECEASED, 1974 A.O. WIESE JR. / RETIRED FROM THE FIRM, 1987 E.J. MELCHIONE / DECEASED, 1986 J.S. MELCHIONE / DECEASED, 2012

December 18, 2019

VIA EMAIL: WesternMail@NCUA.GOV

Cherie Freed, Regional Director, Western Region
NATIONAL CREDIT UNION ADMINISTRATION
1230 West Washington Street, Suite 301
Tempe, AZ 85281

Re: Merger of Schools Financial Credit Union (charter # 68398) (“Merging Credit Union”) into SchoolsFirst Federal Credit Union (charter # 24212) (“Continuing Credit Union”)

Dear Ms. Freed:

Enclosed please find the Certification of Vote on Merger Proposal of School Financial Credit Union provided to us by the Credit Union. As you will note, the merger was overwhelmingly approved by the members. The merger is scheduled to be effective on **January 1, 2020**.

If you have any questions, please contact us without delay.

(b)(6)

Bruce A. Pearson

BAP/vw
Enclosure

cc: (b)(6) National Supervision Analyst
National Credit Union Administration (with enclosure, via E-mail: (b)(6))

cc: (b)(6); (b)(8) National Examiner
National Credit Union Administration (with enclosure, via E-mail: (b)(6); (b)(8))

cc: (b)(4) VP - Marketing
Schools Financial Credit Union (with enclosure, via E-mail: (b)(4))

**Certification of Vote on Merger Proposal of the Credit Union
[Merging]**

We, the undersigned officers of the Schools Financial Credit Union, certify the completion of the following actions:

1. At a meeting on March 17, 2019, the Board of Directors adopted a resolution approving the merger of our credit union with SchoolsFirst Federal Credit Union (continuing credit union).
2. Not more than 90 days or less than 45 days before the date of the vote, copies of the notice of meeting and the ballot, as approved by the California Department of Business Oversight and the National Credit Union Administration, were delivered in person or mailed to our members.
3. The credit union arranged for a meeting of our credit union members at the time and place announced in the notice to consider and act upon the proposed merger.
4. At the meeting, the members present received an explanation of the merger proposal and any changes in products, services and locations.
5. The members of our credit union voted on of the merger as follows:
157,655 Number of total membership
41 Number of members present at the meeting
2 Number of members present who voted in favor of the merger
0 Number of members present who voted against the merger
6856 Number of additional written ballots in favor of the merger
473 Number of additional written ballots opposed to the merger
Without duplication of the written ballot or vote of any member, a majority of the members of this credit union who voted on the proposal approved the merger.
6. The action of the members at the meeting was recorded in the minutes.

This certification signed December 12 2019.

(b)(6)

Marie B. Smith, Chairperson of the Board

(b)(6)

Dolores Bleekman, Secretary

JOSEPH & COHEN

PROFESSIONAL CORPORATION

January 30, 2020

VIA EMAIL TO: ONESMAIL@NCUA.GOV

Mr. Scott Hunt, Director
Office of National Examinations and Supervision
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Re: Documents in Support of Completion of Merger of Schools Financial
Credit Union into SchoolsFirst Federal Credit Union ("Merger")

Dear Mr. Hunt:

On behalf of SchoolsFirst Federal Credit Union ("SchoolsFirst"), we are enclosing the documents requested in your September 18, 2019 letter to Mr. Bill Cheney, President and CEO of SchoolsFirst and Mr. Tim Marriott, formerly President and CEO of Schools Financial Credit Union ("Schools Financial").

The Merger effective date was January 1, 2020. We are enclosing the Department of Business Oversight's January 2, 2020 letter to Timothy Oppelt of Styskal, Wiese & Melchione, LLP, confirming the same.

The following additional requested documents are enclosed:

- Financial reports for both credit unions immediately prior to the Merger (December 31, 2019);
- A combined financial report (pro forma) as of the effective date of the Merger;
- A copy of Schools Financial's original articles of incorporation (charter) and share insurance certificate;
- A signed and notarized Merger Agreement, NCUA 6304; and
- A Certification of Completion of Merger, NCUA 6309.

T 415.817.9200 F 415.462.5450

1855 Market Street, San Francisco, CA 94103 www.josephandcohen.com

We are advised that Timothy Oppelt confirmed with the merging credit union that it could not locate the original articles of incorporation (charter) or insurance certificate for Schools Financial.

If you have any questions or comments regarding the above or the enclosed documents, please contact me by email at kristina@josephandcohen.com or by telephone at 310-499-4915.

Thank you for your consideration of this matter.

Very truly yours,

/s/ Kristina Del Vecchio

Kristina A. Del Vecchio

Enclosures

Cc: (b)(6); (b)(8) National Examiner, National Credit Union Administration
Cherie Freed, NCUA Western Regional Director
Bill Cheney, President and CEO, SchoolsFirst Federal Credit Union
Francisco Nebot, CFO, SchoolsFirst Federal Credit Union
Jonathan D. Joseph, Joseph & Cohen, P.C.
Tim Oppelt, Styskal, Wiese & Melchione LLP