

## **NOTICE OF A MEETING FOR ALL MEMBERS OF DAKOTA TELCO FEDERAL CREDIT UNION**

The Board of Directors of Dakota Telco Federal Credit Union have called a special meeting of the members of this credit union at Speedway Event Center on Tuesday, November 29, 2022, at 5:30 pm. The purpose of this meeting is:

- ❖ To consider and act upon a plan and proposal for merging Dakota Telco Federal Credit with and into United Savings Credit Union (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of the Dakota Telco Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Dakota Telco Federal 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 Dakota Telco Federal Credit Union on the effective date the merger, January 1, 2023.
- ❖ To ratify, confirm and approve the actions of the Board of Directors in authorizing the officers of Dakota Telco Federal Credit Union subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of Dakota Telco Federal Credit Union encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to sign, date and promptly return the enclosed ballot to vote on the proposed merger.

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:

<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 Dakota Telco Federal Credit Union**

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

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

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The financial statements of both credit unions, as well as the projected combined financial statement of the continuing credit union, will follow as separate documents. In addition, the following information applies to the proposed merger.

*Reasons for merger:* The Board of Directors has concluded that proposed merger is desirable and in the best interests of members because our membership has been declining for many years and our current membership is less than 740. United Saving Credit Union is a local credit union that will continue to service Dakota Telco Federal Credit Union members with their current savings and loans, and also with many additional services that Dakota Telco Federal Credit Union is unable to provide.

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Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Dakota Telco Federal Credit Union does not have a higher net worth ratio than United Savings Credit Union.

Share adjustment or distribution: Dakota Telco Federal Credit Union will distribute a portion of its net worth to its members in the merger. The Board of Directors has determined to distribute a portion of Dakota Telco Federal Credit Union's net worth as a merger bonus dividend equal to approximately 5.8 percent of share balances as of June 30, 2022.

Locations of merging and continuing credit union: Dakota Telco Federal Credit Union's main office at 1325 23<sup>rd</sup> Street South, Suite B, Fargo ND will remain open for a limited period of five days after the merger. United Savings Credit Union has the following locations that are near Dakota Telco Federal Credit Union. Main Office is located at 1001 1st Avenue North, Fargo ND with three Branch Offices located at 2401 45th Street South, Fargo ND, 1407 Hwy 10 West, Dilworth MN and 1121 Hwy 10 East, Detroit Lakes MN; all four locations are full-service including drive-up and an ATM.

Changes to services and member benefits: Dakota Telco Federal Credit Union members will have available the following additional services with United Saving Credit Union: checking accounts, ATM/Debit cards, mobile/on-line banking, identify theft protection, safe deposit boxes, VISA credit cards, young savers accounts, IRA's, mortgage loans, business loans, etc.

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 five mostly highly compensated employees have received or will receive in connection with the merger. The following individuals have received or will receive such compensation:

<b>Name</b>	<b>Title</b>	<b>Description of increase</b>	<b>Amount</b>
Eric Gjerdevig	Board Member	Additional Dividends	\$14,501
Mary Hildre	Office Manager	Additional Dividends & Employee Bonus	\$70,544

Please note that the proposed merger must have the approval of the majority of members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal.

To be counted, your Ballot must be received by close of the special meeting on Tuesday, November 29, 2022.

If you cannot attend the meeting, please complete the Ballot and return it by close of business, 2:00 p.m., Tuesday, November 29, 2022, to: **Dakota Telco Federal Credit Union, PO Box 7387, Fargo, ND 58106-7387**

BY THE ORDER OF THE BOARD OF DIRECTORS:

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Jeri Schmidt, Board of Directors President  
Dakota Telco Federal Credit Union

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Date