



**SC TELCO**  
FEDERAL CREDIT UNION

June 26, 2020

Dear Member:

We are excited to announce that our credit union has a unique opportunity to partner with another prominent credit union. After a thorough and lengthy review process, your Board of Directors and Management Team believe that a merger with SC Telco Federal Credit Union would create a stronger credit union. The joined credit unions would better embrace the ever-changing regulatory environment, while providing efficiency of operations to achieve economies of scale. If approved, this will give you access to expanded services and locations, while continuing to maintain our current Anderson Branches, as well as our AFCU staff.

As President of AFCU, my first priority is to look out for the best interests of you, our members. I believe this proposed merger would be a partnership built upon the cornerstone of putting our members first and a shared devotion to impact the communities we serve. **To honor the legacy of each credit union, as well as our commitment to an even brighter future, the two institutions would operate under a new name once the merger is complete in February, 2021.**

SC Telco Federal Credit Union has an 85-year history in the Upstate of South Carolina. With alignment in core values and cooperative principles, we know our members will continue to receive unmatched, personalized service, as well as have access to:

- An Expanded Suite of Financial Products and Services, including Business Loans
- Enhanced Digital and Mobile Services
- An expanded ATM network and additional Branches in Easley, Greenville, Spartanburg, Taylors and Columbia
- Access to nearly 30,000 CO-OP Shared Branch ATMs and 5,600 CO-OP Shared Branch Locations across the country

On behalf of the Board of Directors and Management Team, we truly believe that joining these two legacies together - 150 years of combined history – will create a brighter future to help our members soar financially. This is why we felt compelled to share this opportunity with you, so that you may be a part of the process of making your credit union even stronger. We sincerely hope you vote in favor of the proposed merger with SC Telco Federal Credit Union by voting online at [www.andfcu.cuballot.com](http://www.andfcu.cuballot.com), mailing the enclosed ballot or by attending a special meeting on Tuesday, August 11. If you plan to attend the meeting, please register your attendance online at [www.andfcu.com/specialmeeting](http://www.andfcu.com/specialmeeting) or use your smartphone's camera to scan the QR code below. This will assist us with planning for the meeting with regards to venue limitations due to COVID-19.

Robert Wilson  
President

Hugh Burgess  
Board Chairman



## Questions and Answers

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### What would happen to the branches and AFCU staff?

You would receive the same great service at all three branches and from the same familiar faces. All AFCU locations would remain open and all active AFCU staff retained. We would simply operate under a new name and brand to better serve you.

### What would this mean for my accounts?

With the approval of this merger, both credit unions are committed to working tirelessly to make this transition as seamless as possible. You would receive a detailed communication letter at least 30 days before any account changes would take effect.

### Who is SC Telco Federal Credit Union?

SC Telco Federal Credit Union has an 85 year history in the Upstate of South Carolina, with \$380 million in assets and over 56,000 members. They were named Best-In-State Credit Union (2018/2019) by *Forbes*. To find out more, visit [www.sctelco.com](http://www.sctelco.com)

### Why is this a unique opportunity?

Although formally this is a merger, it is a true partnership where two credit unions that share similar cultures and vision bring different strengths to the table to improve the financial lives of their members. As mentioned, the combined credit union will open under a new name, signifying the importance of our joined forces.

### What are the next steps?

As a member-owned cooperative, a member vote will be conducted to approve the proposed merger. Per our by-laws, any member below age 16 as of May 31, 2020, will not be eligible to vote. However, all other primary members have **three options for voting**:

- (1) Visit **[www.andfcu.cuballot.com](http://www.andfcu.cuballot.com)** by midnight of Tuesday, August 11<sup>th</sup> 2020.
- (2) Mail the enclosed ballot in the pre-addressed and postage paid envelope to be received no later than Tuesday, August 11.
- (3) Attend a special member meeting on Tuesday, August 11<sup>th</sup> 2020, at the Bleckley Station, 310 S. Main Street, Anderson. Because of limitations on seating due to COVID-19, two meetings will be held at 9:00 a.m. and 2:00 p.m. These special member meetings will address any questions you may have and allow you to vote on the proposed merger on site.

If you plan to attend the meeting, please register your attendance online at [www.andfcu.com/specialmeeting](http://www.andfcu.com/specialmeeting) or by using your smartphone to scan the QR code below. This will assist us with planning for the meeting with regards to venue limitations due to COVID-19.



## Notice of Meeting of the Members of Anderson Federal Credit Union

The Board of Directors of Anderson Federal Credit Union (AFCU) have called a special meeting of the members of this credit union at the Bleckley Station, 310 S. Main Street, Anderson, on Tuesday, August 11, 2020 at 9:00 a.m. and 2:00 p.m. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Anderson Federal Credit Union (AFCU) with and into SC Telco Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of AFCU will be merged with and into the Continuing Credit Union. All members of AFCU 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 AFCU 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 Anderson 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 AFCU 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 or visit [www.andfcu.cuballot.com](http://www.andfcu.cuballot.com) 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 **CUREMail@ncua.gov**, or mail to **NCUA, CURE Office, 1775 Duke Street, Alexandria, VA 22314**. 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, follow as separate documents. In addition, the following information applies to the proposed merger.

**Reasons for merger:** The Board of Directors has concluded that the proposed merger is desirable and in the best interests of members because:

As a small credit union, AFCU is faced with member service and operational limitations amongst the

changing industry and market demands. The Board of Directors have concluded that it's in the best interest of our members to join with another credit union to combine resources to better serve you. Through the merger with the Continuing Credit Union, AFCU members will have access to expanded financial products/services, greater member benefits, advanced electronic services, and additional branch locations throughout South Carolina.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the Continuing Credit Union. AFCU does not have a higher net worth ratio than SC Telco Federal Credit Union.

Share adjustment or distribution: AFCU 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 AFCU's net worth is unnecessary because AFCU staff and members stand to benefit from the increased products, services, and locations offered by SC Telco Federal Credit Union.

Locations of merging and continuing credit union: AFCU's main office at 1720 North Main Street, Anderson, SC 29621 will remain open, as well as two other locations:

- 1434 Pearman Dairy Road | Anderson, SC 29625
- 100 Hanna Crossing | Anderson, SC 29621

SC Telco Federal Credit Union has the following full-service locations that are near AFCU, as well as four other locations across South Carolina:

- 118 Brushy Creek Road | Easley, SC 29642
- 300 Mills Avenue | Greenville, SC 29605
- 601 Verdae Boulevard | Greenville, SC 29607

Changes to services and member benefits: Communication will be mailed to each member, outlining new services at least 30 days before system conversion.

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. If you cannot attend the meeting, please vote online at [www.andfcu.cuballot.com](http://www.andfcu.cuballot.com) or complete the enclosed postage paid Ballot and return it to Anderson Federal Credit Union at P.O. Box 2427, Anderson, SC 29622. To be counted, your Ballot must be received by midnight on Tuesday, August 11, 2020.

BY THE ORDER OF THE BOARD OF DIRECTORS:



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Hugh Burgess  
Chairman



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Robert Wilson  
President

Dated: Friday, June 26, 2020

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## Ballot for Merger Proposal

Member Name: \_\_\_\_\_

Savings Account Number: \_\_\_\_\_

**Your credit union must receive this ballot by Tuesday, August 11, 2020.** Please use the self-addressed and postage paid reply envelope to submit your ballot to: CUBallot - Election Processing, E Space Communications Inc, P.O. Box 3156, Dublin, OH 43016

I have read the Notice of Special Meeting for the members of Anderson Federal Credit Union. The meeting will be held on the above date to consider and act upon the merger proposal described in the notice. I vote on the proposal as follows (check one box):

- ☐ **Approve** the proposed merger and authorize the Board of Directors to take all necessary action to accomplish the merger.
- ☐ **Do not approve** the proposed merger.

Signed: \_\_\_\_\_  
Member's Signature

Date: \_\_\_\_\_

### Online Voting

If you prefer to vote online, please visit [www.andfcu.cuballot.com](http://www.andfcu.cuballot.com)