

NOTICE OF MERGER – CREDIT UNIONS



IMPORTANT NOTICE TO MEMBERS OF
_____ CREDIT UNION

California Financial Code Section 15201(b) provides that the board of directors may apply to the Commissioner of Business Oversight for approval of a merger in accordance with a plan of merger approved by a majority of the board of directors of each credit union that is a party to the merger, even though less than a majority of the outstanding members of a disappearing credit union has voted to approve the merger. In order to approve a merger in such a case, the Commissioner must find, upon the written and verified application filed by the board of directors, that: (1) notice of the meeting called to consider the merger, or the ballot for written vote on the merger, was mailed to each member entitled to vote on the merger; (2) the notice or ballot disclosed the purpose of the meeting or the written vote; (3) the notice or ballot informed the membership that approval of the merger might be sought pursuant to Financial Code Section 15201(b); and (4) a majority of the votes cast were in favor of the merger.

This notice is to advise you that the purpose of the membership meeting scheduled for _____ (date) is to vote on the question of whether this credit union should merge with and into _____ Credit Union. Further, this is to advise you that the board of directors will make an application under Financial Code Section 15201(b) for approval of the merger in the event that a majority of all members of this credit union do not vote to approve the merger, in person or by proxy at the meeting, or by ballot.

This sample form of notice is required by Financial Code Section 15201(b). This sample is provided only as an illustration. Refer to the requirements of Financial Code Sections 15200, et seq. and Corporations Code Sections 8010, et seq.
Note: In submitting this Notice, please omit the Department of Business Oversight form header and use the business letterhead, as appropriate.