

# Minutes of the Seventy-Second Annual Meeting of the Members

April 25, 2025

Board member(s) present – Chris Otey, Chairman; Stephanie Ertman, Vice Chair; Viki Copeland, Tarek Shaer, Brian Lundin, Annie Flippo, Board members.

Supervisory Committee members present – Renee Michel, Supervisory Committee Member.

## Welcome Remarks and Call to Order

Board Chairman Chris Otey welcomed members and guests to the Credit Union's 72<sup>nd</sup> Annual Membership Meeting. Chairman Otey called the meeting to order at 12:03 p.m. on the afternoon of Friday, April 25, 2025, via Zoom. Chairman Otey noted the meeting will be conducted in accordance with the rules and regulations of the State of California's Department of Financial Protection and Innovation. All comments are limited to three (3) minutes. Members were invited to submit questions or comments via the Zoom chat function to be answered at the conclusion of the meeting. Nominations from the floor are not permitted per the Credit Union Bylaws.

## Introduction of Officials

Chairman Otey introduced the Board of Directors and Supervisory Committee members in attendance.

## Ascertainment of a Quorum

Vice Chair Stephanie Ertman stated that a quorum was present with 22 members in attendance. The Credit Union Bylaws require a minimum of 15 members to be present to constitute a quorum.

## Approval of the 2024 Annual Membership Meeting Minutes

Chairman Otey asked for corrections or deletions to the 2024 Annual Meeting minutes. Hearing none, he called for a motion to approve. Tarek Shaer moved to approve the minutes and Stephanie Ertman seconded the motion. The motion carried with no objections.

## Chairman's Report

Chairman Otey reported that South Bay Credit Union remained focused on its mission to uplift South Bay communities by empowering members to live better and do better. Despite challenges that impacted net income, the Credit Union entered 2025 in a strong position, with a solid 9% capital ratio and a continued commitment to prudent financial management.

This year's annual report theme, "*Shaping Up for What's Next*," reflects our long-term vision and disciplined approach—one that sets us apart from large, for-profit banks. Like training for a marathon, our strategy emphasizes endurance and preparation over quick wins. That discipline served us well in 2024, as we navigated economic uncertainties and responded to broader events such as the devastating wildfires in early January, which, though not directly affecting our members, had economic ripple effects across the region. Actions taken last year, including strengthening provision funds, positioned South Bay Credit Union to meet 2025's challenges with confidence.

## Supervisory Committee Report

On behalf of Supervisory Committee Chair Dan Inskeep, Chair Otey also reported that Turner Warren Hwang and Conrad CPAs, our independent accounting firm, completed the annual opinion audit for the fiscal year ending June 30, 2024. The Supervisory Committee also engaged Mainsail Consulting to conduct quarterly internal audits. Based on the positive results of these reviews, the Committee affirms that South Bay Credit Union's operations are safe, sound, and in full compliance

with applicable laws and regulations, and that internal controls are effectively protecting the Credit Union and its members.

### Treasurer/CEO Report

Paris thanked all those in attendance. In 2024, South Bay Credit Union focused on strengthening its foundation while delivering real value to members. We launched the NEXT Youth Checking Account, paired with a complimentary Greenlight subscription, helping young members learn smart money habits early. We also rolled out new advanced ATMs and upgraded digital banking for business members with BizLink247, allowing customizable access for company users.

Our member referral program rewarded those who brought friends and family into the SBCU community, and we remained competitive on savings products, regularly adjusting rates on share certificates and Money Market accounts. Members gained easy access to their credit scores through our new Savvy Money tool and benefited from special offers on mortgages and HELOCs, including 0% interest for six months and up to \$2,000 in closing cost assistance.

We expanded insurance offerings through TruStage and launched a partnership with Coinstar, making it simple for members to deposit loose change directly into their accounts. To support underserved individuals, we partnered with Starlight, which helps connect people to government benefits and simplifies the application process.

Beyond financial services, we continued investing in the community. We supported local youth sports organizations and stayed active with groups like the Lomita Chamber of Commerce, Local Anchor, and Community's Child. We also highlighted free financial education resources from Banzai and BALANCE during America Saves Week.

Despite challenges in 2024, we ended the year well-capitalized at 9%. Loans totaled \$121 million while shares rose to \$135.7 million. Membership grew by 310 to 9,744. Net income was negative for the year, which included some one-time strategic expenses designed to benefit long-term performance.

### Election of Volunteers

Chairman Otey presented the slate being put forth for approval for Nominating Committee, referring members to the website for the candidates' bios:

Board of Directors (3 open seats)

Chris Otey (incumbent) (3-year term)  
Tom Light (incumbent) (3-year term)  
Nikki Wesley (incumbent) (3-year term)

Supervisory Committee (1 open seat)

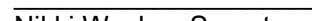
Renee Michel (incumbent) (3-year term)

The slate of candidates was declared elected by acclamation. Congratulations were extended to the newly elected Officials along with a special thank you to the Nominating Committee.

### Adjournment

Chairman Otey thanked Paris, staff, and the management team for a wonderful year. He asked if there were any comments or questions from the membership. Hearing none, the meeting was adjourned at 12:15 p.m.

  
Chris Otey, Chairman

  
Nikki Wesley, Secretary