



February 29, 2008

Dear Member:

As you are aware, Cal State 9 Credit Union was placed under the management of the National Credit Union Administration (NCUA) in November 2007, in an action referred to as a conservatorship.

Since that time, NCUA team members have been working closely with the Cal State 9 team to protect member assets, and maintain the financial stability of the credit union.

This week, NCUA representatives came to a decision to pursue the combination of Cal State 9 with another credit union. This transaction, known as a "purchase and assumption," represents the most financially sound decision and is in the best interest of Cal State 9's membership. It will ensure that you continue to have high-quality financial services into the future without interruption.

The prospective purchase and assumption partners consist of credit unions having a longstanding history of sound financial management and are federally insured by the National Credit Union Share Insurance Fund, an entity of the federal government operated by NCUA. We expect the process to be complete and the consolidation finalized in early summer 2008. However, be assured that NCUA has a strict process for analyzing consolidations within its industry.

Please be reminded that your deposits are safe and secure; insured by the National Credit Union Share Insurance Fund, an entity of the federal government operated by the National Credit Union Administration. The Fund insures deposits up to at least \$100,000 with certain retirement accounts insured up to \$250,000.

We will continue to keep you informed of milestones throughout the process. While a decision is being made, Cal State 9's five branches will continue to operate with the same knowledgeable and friendly staff. If you have any questions about your individual account, please visit your local branch representative or call the member contact center at (925) 363-2700.

We appreciate your continued business and will make all decisions in the best interest of the Cal State 9 membership.

Sincerely,

A handwritten signature in black ink that reads 'Melinda Love'.

Melinda Love  
NCUA Region V Director  
Agent for the Conservator