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M E M O R A N D U M

TO: Marzena Wierzbowska  
Chairman, Board of Directors

FROM: Leonard J. Pugatch

DATE: February 29, 2012

RE: Petition For Special Meeting Received February 15, 2012

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As Chairman, if the Board of Directors of Polish & Slavic Federal Credit Union, you are in receipt of a Petition to call a special meeting (and attached cover letter) from the Civic Committee of Members of PSFCU, Inc. It is the same Petition that was rejected by the former Board Chairman in February 2010. Two years of litigation ensued, and the Appellate Division, Second Department recently dismissed the lawsuit commenced on behalf of the rejected Petitioners. In doing so, the Court ruled that an Article 78 proceeding was an improper form of legal proceeding to challenge the rejection of the Petition. The Appellate Division did not rule on whether the rejection of the Petition was proper or improper. Contrary to the claims made in the Civil Committee's letter of February 15, 2012, Judge Rivera's Orders and Decisions are null and void and of no precedential value.

I have reviewed the well reasoned and thoroughly researched opinions of counsel provided to the prior Chairman. I do not agree with the conclusions made. I have reviewed the credit union's bylaws, the material cited in the prior opinion letters, I have done further research related to the many questions addressed therein, and I have reviewed additional documentation that you have provided. I have not reviewed each pleading in the recently dismissed proceeding, and at your request I am now offering this opinion as to whether a special meeting should be held as requested.

The credit union's bylaws provide that a member may be expelled by a two thirds vote of the members present at a special meeting called for that purpose, but only after the member has been given the opportunity to be heard. The credit union's bylaws also provide that any director or committee member may be removed from office by the affirmative vote of a majority of the members present at a special meeting called for that purpose; again but only after the director or committee has been given the opportunity to be heard.

The credit union bylaws also provide that the Chairman must call a special meeting, which must be held, within 30 days of receipt of the request. The bylaws provide that notice of any special meeting must state the purpose for which it is to be held, and the bylaws as further provide that no business other

then that related to this purpose may be transacted at the meeting.

A Petition has been received, and it contains the requisite number of signatures. The special meeting must be called if you determine from the Petition that requisite membership support exists and the request is for a proper purpose.

Arguably, the same reasons exist now as did before to reject the Petition. It could be further argued that the Petition is "stale" by reason of the passage of time since it was originally presented. The allegations against the Board members do not lack sufficient specificity, but I believe it can be argued that claims of "frivolous ligation" against Andrew Kaminski lack sufficient specificity to permit Mr. Kaminski an opportunity to prepare a proper response. From the member's perspective, all of the allegations are sufficient to allow members to decide whether to attend the special meeting.

While any absence of specificity may be reason to reject the Petition, nothing requires the rejection of the Petition for that reason. The lack of any specificity can be cured by a request for the information before the meeting. In addition, any alleged lack of information also can be raised at the special meeting in defense of the charges.

We know that the prior rejection of the Petition resulted in litigation. We do not know whether rejecting the Petition again would result in new litigation. We do not know whether calling of a special meeting may do so also. We do know that rejecting the Petition will once again disenfranchise the members and deprive the membership of rights granted to them under the bylaws. Accordingly, I recommend that the matters at issue be submitted to the members, the electorate, and that Andrew Kaminski, Wojciech Mieczko, Irena Marchaj, Tomasz Bortnik, Krystyna Myssura at a special meeting and that they be given a full and fair opportunity to be heard.

Finally, I recommend that you call two (2) separate meetings. Given the claims against Mr. Kaminski of "frivolous litigation" and related information received and reviewed by me, you could anticipate that Mr. Kaminski will commence litigation to challenge and enjoin any special meeting called. If one special meeting is called with respect to the Board Members, and another special meeting called with respect to Mr. Kaminski, Mr. Kaminski should not be able to enjoin the "Board Members" meeting, and the credit union might avoid the consequences and costs of a completely cancelled meeting. Holding separate meetings would also avoid any arguments that claims against Mr. Kaminski may taint proceedings against the Board.

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

Index No.: 5212/12

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THE SUPERVISORY COMMITTEE OF THE  
POLISH & SLAVIC FEDERAL CREDIT UNION,  
WOJCIECH MIECZKO, IRENA MARCHAJ,  
TOMASZ BORTNIK, ANDREW KAMINSKI,  
and KRYSTYNA MYSSURA,

**AFFIRMATION**

Plaintiffs,

v.

MARZENA WIERZBOWSKA, as Chair of the Board of  
Directors of the Polish & Slavic Federal Credit Union,

Defendant.  
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**ANDREW KAMINSKI**, an attorney duly licensed to practice law before the Courts of the State of New York, affirms the truth of the following under the penalties of perjury, pursuant to the Civil Practice Law and Rules ("CPLR"):

1. I am a member of plaintiff The Supervisory Committee of the Polish & Slavic Federal Credit Union ("Supervisory Committee") in the above-referenced action. I first became a member of the Polish & Slavic Federal Credit Union ("PSFCU") approximately in 1983. I have served on the Board of Directors of the PSFCU from 1996 to 2006. I began my tenure on the Supervisory Committee in November of 2010. As such, I am fully familiar with and have personal knowledge of the facts and circumstances set forth herein.

2. This action is brought by the Supervisory Committee pursuant to its specific authority to ensure that Board members act properly and within the guidelines of the PSFCU Governance Rules and Policies Manual ("Rules") and Bylaws. PSFCU is a federally chartered credit union that is headquartered at 100 McGuinness Boulevard, Brooklyn, New York. The Supervisory Committee has commenced this action against the Chair of the Board of Directors, defendant Marzena Wierzbowska

("Wierzbowska"), who has noticed a special meeting ("Special Meeting") of the members of the PSFCU presently scheduled for March 11, 2012. This action was commenced by order to show cause because the Supervisory Committee seeks to enjoin the Special Meeting from proceeding on that date. The Special Meeting has been noticed in order to expel me and others from the Board of Directors of PSFCU and the Supervisory Committee. Wierzbowska has called this Special Meeting as part of a vendetta against me and the Supervisory Committee, which recently has started a formal investigation of her improper conduct that the Supervisory Committee believes is to the detriment of our 75,000 credit union members.

3. Because the PSFCU is a federally chartered credit union, the Supervisory Committee is charged with carrying out duties set forth in 12 C.F.R. § 701.12, which include determining that "the credit union's management practices and procedures are sufficient to safeguard members' assets," and further to determine whether the "policies and control procedures are sufficient to safeguard against error, carelessness, conflict of interest, self-dealing and fraud." *See* 12. C.F.R. § 701.12. Additionally, the Supervisory Committee is to conduct such other tests and reviews as may be necessary in the committee's judgment to meet its responsibilities. As explained herein, Wierzbowska's Special Meeting is not only contrary to PSFCU's Bylaws and PSFCU's Board Governance Rules and Policies ("Rules"), but it is also designed to prevent the Supervisory Committee from performing its duties.

4. The Special Meeting purportedly was prompted by a petition submitted in 2010 by an organization called The Civic Committee of the PSFCU Inc. ("Civic Committee"), which was not then a member of the PSFCU. Although not a member of the PSFCU, the Civic Committee was seeking the expulsion of longstanding members of the PSFCU, who have served in various leadership capacities at the PSFCU. Wierzbowska since that time had the new Board agree to make the so-called Civic Committee a member and she called the Special Meeting despite the following infirmities: As a

preliminary matter, I have not even received the requisite notice of the meeting in the mail. Article IV, Section 2 of the Bylaws requires that members receive notice at least seven days prior to a special meeting. A copy of the Bylaws is annexed hereto as Exhibit A. Accordingly, at a minimum, I have not received the notice required under the Bylaws.

5. Wojciech Mieczko ("Mieczko"), Irena Marchaj ("Marchaj"), Tomasz Bortnik ("Bortnik"), and Krystyna Myssura ("Myssura") and I each received a one page notice of the Special Meeting (the "Notice") on March 3, 2012, which is insufficient notice for a number of reasons. The Notice is annexed hereto as Exhibit B. First, it states that the "Petition for Special Meeting" ("Petition") is enclosed. It was not. Second, the Bylaws require that the Notice be sent by the Secretary, which it was not. *See* Exhibit A, Article IV, Section 2. Instead, it purports to come from Wierzbowska, but it is not signed by her nor is the Notice on PSFCU stationary. Finally, as discussed below, the description of the charges is so vague as to be meaningless.

6. The Petition likely was not included with the Notice, because it is so riddled with deficiencies. Apparently, the Notice is based upon a petition that was circulated in 2010, and which was found not to have the requisite number of signatures as required by Article IV, Section 3 of the Bylaws. *See* Exhibit A. Wierzbowska's Notice is also in direct violation of the Rules, which explicitly provide the procedure for disciplining Board members and Supervisory Committee members. A copy of the Rules is annexed hereto as Exhibit C.

7. The Bylaws require that at least seven days before the date of any special meeting of the PSFCU members the secretary must give written notice to each member. *See* Exhibit A, Article IV, Section 2. Notice may be by written notice delivered by the Secretary in person or by mail to the member's address, or, for members who have opted to receive statements and notices electronically, by electronic mail. *See Id.* Notice of the special meeting also must state the purpose for which it is to be

held, and no business other than that related to this purpose may be transacted at the meeting. *See Id.* Here, the Notice has not been sent so as to be received in a timely manner, because the Notice has not been delivered to them by mail or in person.

8. The notice of the charges is also extremely vague. The charges are extremely serious, calling for my ouster as well as four other members. It is essential that we understand what we are being charged with so that we can adequately prepare. Wierzbowska has called the Special Meeting to expel me, a member of the Supervisory Committee, both from the Committee and the PSFCU based upon unspecified "numerous frivolous law suits." A copy of the charge against me can be found on the PSFCU website and is annexed hereto as Exhibit D. Wierzbowska apparently knows which lawsuits will be discussed at the Special Meeting, but has refused to disclose those to me. The only reason can be that she is attempting to deny me the ability to prepare for the meeting. This is grossly unfair. It is impossible for me to guess what lawsuits Wierzbowska had in mind because no court has held that any lawsuit to which I have been a party have been frivolous.

9. The Special Meeting also seeks the expulsion from the Board of Directors and the PSFCU of Mieczko, Marchaj, Bortnik, and Myssura with respect to the following:

- (i) Awarding monies to Mysurra for her own financial benefit;
- (ii) Forwarding members' dues to the Polish and Slavic Center without requesting financial report;
- (iii) Replacing highly qualified "supervisory members" with lesser qualified Andrew Kaminski and Jacek Bakowski; and
- (iv) Terminating of CEO, Mr. Bogdan Chmielewski.

*See Exhibit B.*



10. It is evident that the Notice is absurdly overbroad and vague, preventing the members from understanding precisely what they have been charged with and allowing them to properly defend themselves.

11. The reference in the Notice to “awarding” Myssura monies is equally meaningless. There is no description as to when this occurred, what the monies were, what the circumstances were, and why these four Board members are purportedly responsible. The termination of the prior CEO took place in 2010, and there is no explanation as to why his termination by the Board of Directors in 2010 should be a ground for expelling four members of the Board in 2012. There is also no explanation as to what if anything was purportedly incorrect about the termination. The Board members should not be required to guess as to the meaning of this charge. As with the “frivolous law suits” charge, Wierzbowska knows the specific charges that will be discussed against the four Board members. However, she refuses to make the specific facts known to the persons charged. A reading of the Notice makes clear that the allegations are deliberately vague so that the persons charged have no way of preparing a proper defense at the Special Meeting.

12. It is equally clear that the process set forth in the Bylaws has been abrogated by Wierzbowska. The procedure requires that a petition setting forth the grounds for a special meeting be signed by no less than 750 members. No petition setting forth these grounds and containing the signatures of 750 members has been provided and likely does not exist. When the Civic Committee in 2010 attempted to obtain the necessary signatures for a petition to call for a special meeting, it claimed to have the necessary signatures, but in fact it did not. When the Election Services Corporation examined the purported signatures and attempted to contact the members who supposedly signed, less than 65% could be reached by telephone. Of the members who were reached, 132 stated that it was not their intention to remove PSFCU officials and wanted their names removed. Another 113 had no

recollection of signing the petition or any intention of calling a special meeting. Accordingly, the signatures on the petition fell well short of the minimum 750 signatures required by the Bylaws. (*See* letter, dated July 14, 2011, from the PSFCU to the National Credit Union Administration annexed hereto as Exhibit E.)

13. At a minimum, before this Special Meeting proceeds Wierzbowska should be required to produce the claimed Petition setting forth all of the grounds for the Special Meeting and purportedly signed by more than 750 members. A petition that does not meet these requirements is insufficient under the Bylaws to call a special meeting, and on that basis alone Wierzbowska should be enjoined from proceeding with the Special Meeting.

14. The Special Meeting is also in direct contravention to the Board Rules. *See* Exhibit C. The Rules provide an explicit procedure for the discipline of a Board member and Supervisory Committee member. These Rules set forth a multiple step process for any form of discipline. The first step is to provide all written complaints to the Executive Committee or the Supervisory Committee. *See* Exhibit C, at 3.9.1.1. No such complaints have been presented to the Supervisory Committee, and there is no indication in the notice that they were presented to the Executive Committee.

15. The second step is that the Executive Committee will talk to the accused in private to determine whether the issue needs to be sent to the full Board or the Supervisory Committee. *See* Exhibit C, at 3.9.1.2. Once again, Wierzbowska flouted this Rule.

16. The next step is that if the complaint is sent to the full Board in order to give the Board member or Supervisory Committee member a complete opportunity to respond to the complaint "according to due process principles." *See Id.* In fact, the Board member or Supervisory Committee member is entitled to a formal hearing in order to ensure that due process is accorded the member. Of

course, we have not been afforded anything close to due process in the rush to schedule the Special Meeting premised on vaguely worded charges.

17. There is a reason that Wierzbowska has not followed the explicit rules, and that is because she is not interested in fairness or affording us a meaningful opportunity to be heard. The Rules provide: "These policies and rules define the way the Board will manage itself." *See* Exhibit C, at p. 24. Wierzbowska is explicitly bound by these Rules and her deliberate failure to abide by the Rules is reason enough to enjoin the Special Meeting.

18. Wierzbowska has acted precipitously and contrary to the Bylaws and Rules for several reasons. She has done so in order to interrupt an investigation underway by the Supervisory Committee. In addition, this action is in retaliation for setbacks experienced in court actions.

19. The Civic Committee, which is behind Wierzbowska's notice of the Special Meeting, has attempted to cause substantial harm to the PSFCU, by, among other things, advising the public that the PSFCU's investments are "highly risky" and have caused significant losses to the PSFCU. This assertion is objectively false, because the PSFCU is a highly regulated financial institution that regularly files financial statements with a federal regulator that closely scrutinizes the statements and found the investments to be in compliance with federal regulations. Because of the Civic Committee's attempts to damage the PSFCU, the Supervisory Committee recently began its investigation by calling on Board members to attend a meeting in which they would be asked a series of questions. That meeting was held on January 18, 2012, but was not attended by most Board members. However, testimony was taken at that meeting concerning some of the damage done by the Civic Committee to the PSFCU. Since many Board members did not attend, the Supervisory Committee recently sent Board members written questions for them to answer. No sooner were those questions sent to the Board members than

Wierzbowska attempted to notice the Special Meeting seeking to expel me from the Supervisory Committee.

20. Additionally, a complaint filed by the Civic Committee was recently dismissed by the Appellate Division, Second Department on the basis that it improperly commenced an Article 78 against the Board of Directors of the PSFCU. (A copy of the Appellate Division's decision is annexed hereto as Exhibit F.) The action was brought by the Civic Committee to interrupt an ongoing election of members of the Board of Directors, and further to compel the Board to call a special meeting. The PSFCU was forced to spend substantial sums of money to defend this baseless action.

The Supervisory Committee Can Establish Likelihood of Success on the Merits.

21. For these reasons, the Supervisory Committee has a clear likelihood of success in prevailing in this action. Wierzbowska's flaunting of the Rules and Bylaws, the failure to provide notice of the Special Meeting in compliance with the Bylaws, her failure to produce the claimed petition with the requisite number of verifiable signatures that provides for a special meeting on the issues identified in the notice, coupled with the improperly broad descriptions of the charges, which deprive me and the other members from preparing to defend ourselves, are all grounds for enjoining the meeting from going forward on March 11, 2012. These violations certainly cannot be cured in the short span of time before the meeting is to proceed. A copy of the affected members' Affidavits is annexed hereto as Exhibit G.

Irreparable Harm Will Result From the Meeting Proceeding.

22. If the meeting were to go forward on that date in light of Wierzbowska's refusal to adhere to PSFCU's rules and policies, the Supervisory Committee would not be able to carry out its federally mandated responsibilities to ensure that Wierzbowska adhere to the Bylaws and Rules, especially for a matter as serious as expelling members from the Board, the Supervisory Committee and the PSFCU. In addition, I and my fellow members would be irreparably harmed. As a preliminary matter, there is no

appeal procedure contained with the Bylaws or the Rules that would allow an internal challenge of any action taken at the Special Meeting. But apart from that, a determination at the Special Meeting to expel us as members would have a devastating effect on our reputations within the Polish community and our professional careers.

A Balancing of the Equities Favors the Supervisory Committee

23. Finally, a balancing of the equities clearly favors enjoining the March 11, 2012 meeting and allowing myself and the other members to understand the nature of the charges and to respond to any complaints in accordance with PSFCU's express Rules and Policies for dealing with these matters. Cancelling this Special Meeting and commencing the process again in accordance with the Rules and Bylaws would cause no prejudice to Wierzbowska, but would provide plaintiffs with an opportunity to be heard that is meaningful. These Rules and Bylaws are there for a reason, to afford full due process rights to members, Board members and Supervisory members like myself and the others affected by this Notice.

24. Plaintiffs have not previously made an application to this Court seeking the same or similar relief as that sought in this motion.

**WHEREFORE**, it is respectfully requested that plaintiffs' motion be granted in its entirety, along with such other and further relief as this Court deems just and proper.

Dated: New York, New York  
March 5, 2012

  
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ANDREW KAMINSKI

**Exhibit A**



**BYLAWS**  
**Charter No. 22592**

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(A corporation chartered under the laws of the United States)

**Article I. Name - Purposes**

**Section 1. Name.** The name of this credit union is as stated in section 1 of the charter (approved organization certificate) of this credit union.

**Section 2. Purposes.** This credit union is a member-owned, democratically operated, not-for-profit organization managed by a volunteer board of directors, with the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means. The purpose of this credit union is to promote thrift among its members by affording them an opportunity to accumulate their savings and to create for them a source of credit for provident or productive purposes.

**Article II. Qualifications for Membership**

**Section 1. Field of Membership.** The field of membership of this credit union is limited to that stated in section 5 of its charter.

**Section 2. Membership application procedures.** Applications for membership from persons eligible for membership under Section 5 of the charter must be signed by the applicant on forms approved by the board. The applicant is admitted to membership after approval of an application by a majority of the directors, a majority of the members of a duly authorized executive committee, or by a membership officer, and after subscription to at least one share of this credit union and the payment of the initial installment, and the payment of a uniform entrance fee if required by the board. If a person whose membership application is denied makes a written request, the credit union must explain the reasons for the denial in writing.

**Section 3. Maintenance of membership share required.** A member who withdraws all shareholdings or fails to comply with the time requirements for restoring his or her account balance to par value in Article III, Section 3, ceases to be a member. By resolution, the board may require persons readmitted to membership to pay another entrance fee.

**Section 4. Continuation of membership.** Once a member becomes a member that person may remain a member until the person or organization chooses to withdraw or is expelled in accordance with the Act and Article XIV of these bylaws. A member who is disruptive to credit union operations may be subject to limitations on services and access to credit union facilities.



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**Article III. Shares of Members**

**Section 1. Par value.** The par value of each share will be \$10.00. Subscription to shares are payable at the time of subscription, or in installments of at least \$2.00 per month.

**Section 2. Cap on shares held by one person.** The board may establish, by resolution, the maximum amount of shares that any one member may hold.

**Section 3. Time period for payment and maintenance of membership share.** A member who fails to complete payment of one share within six (6) months of admission to membership, or within six (6) months from the increase in the par value of shares, or a member who reduces the share balance below the par value of one share and does not increase the balance to at least the par value of one share within six (6) months of the reduction may be terminated from membership.

**Section 4. Transferability.** Shares may only be transferred from one member to another by an instrument in a form as the board may prescribe. Shares that accrue credits for unpaid dividends retain those credits when transferred.

**Section 5. Withdrawals.** Money paid in on shares or installments of shares may be withdrawn as provided in these bylaws or regulation on any day when payment on shares may be made: provided, however, that:

(a) The board has the right, at any time, to require members to give up to 60 days written notice of intention to withdraw the whole or any part of the amounts paid in by them.

(b) Reserved.

(c) No member may withdraw any shareholdings below the amount of the member's primary or contingent liability to the credit union if the member is delinquent as a borrower, or if borrowers for whom the member is comaker, endorser, or guarantor are delinquent, without the written approval of the credit committee or loan officer. Coverage of overdrafts under an overdraft protection policy does not constitute delinquency for purposes of this paragraph. Shares issued in an irrevocable trust as provided in Section 6 of this article are not subject to withdrawal restrictions except as stated in the trust agreement.





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(d) The share account of a deceased member (other than one held in joint tenancy with another member) may be continued until the close of the dividend period in which the administration of the deceased's estate is completed.

(e) The board will have the right, at any time, to impose a fee for excessive share withdrawals from regular share accounts. The number of withdrawals not subject to a fee and the amount of the fee will be established by board resolution and will be subject to regulations applicable to the advertising and disclosure of terms and conditions on member accounts.

**Section 6. Trusts.** Shares may be issued in a revocable or irrevocable trust, subject to the following:

When shares are issued in a revocable trust, the settlor must be a member of this credit union in his or her own right. When shares are issued in an irrevocable trust, either the settlor or the beneficiary must be a member of this credit union. The name of the beneficiary must be stated in both a revocable and irrevocable trust. For purposes of this section, shares issued pursuant to a pension plan authorized by the rules and regulations will be treated as an irrevocable trust unless otherwise indicated in the rules and regulations.

**Section 7. Joint accounts and membership requirements.** Owners of a joint account may both be members of the credit union without opening separate accounts. For joint membership, both owners are required to fulfill all of the membership requirements including each member purchasing and maintaining at least one share in the account.

#### Article IV. Meetings of Members

**Section 1. Annual meeting.** The annual meeting of the members must be held no later than December 31st, in the county in which any office of the credit union is located or within a radius of 100 miles of an office, at the time and place as the board determines and announces in the notice of the annual meeting.

**Section 2. Notice of meetings required.** At least 30 but no more than 75 days before the date of any annual meeting or at least 7 days before the date of any special meeting of the members, the secretary must give written notice to each member. Notice may be by written notice delivered in person or by mail to the member's address, or, for members who have opted to receive statements and notices electronically, by electronic mail. Notice of the annual meeting may be given by posting the notice in a conspicuous place in the office of this credit union where it may be read by the members, at least 30 days before the meeting, if the annual meeting is to be held



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during the same month as that of the previous annual meeting and if this credit union maintains an office that is readily accessible to members where regular business hours are maintained. Any meeting of the members, whether annual or special, may be held without prior notice, at any place or time, if all the members entitled to vote, who are not present at the meeting, waive notice in writing, before, during, or after the meeting.

Notice of any special meeting must state the purpose for which it is to be held, and no business other than that related to this purpose may be transacted at the meeting.

**Section 3. Special meetings.** Special meetings of the members may be called by the chair or the board of directors upon a majority vote, or by the supervisory committee as provided in these bylaws. The chair must call a special meeting, meaning the meeting must be held, within 30 days of the receipt of a written request of 25 members or 5% of the members as of the date of the request, whichever number is larger. However, a request of no more than 750 members may be required to call a special meeting.

The notice of a special meeting must be given as provided in Section 2 of this article. Special meetings may be held at any location permitted for the annual meeting.

**Section 4. Items of business for annual meeting and rules of order for annual and special meetings.** The suggested order of business at annual meetings of members is--

- (a) Ascertainment that a quorum is present.
- (b) Reading and approval or correction of the minutes of the last meeting.
- (c) Report of directors, if there is one. For credit unions participating in the Community Development Revolving Loan Program, the directors must report on the credit union's progress on providing needed community services, if required by NCUA Regulations.
- (d) Report of the financial officer or the chief management official.
- (e) Report of the credit committee, if there is one.
- (f) Report of the supervisory committee, as required by Section 115 of the Act.
- (g) Unfinished business.



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(h) New business other than elections.

(i) Elections, as required by Section 111 of the Act.

(j) Adjournment.

To the extent consistent with these bylaws, all meetings of the members will be conducted according to *Robert's Rules of Order*. The order of business for the annual meeting may vary from the suggested order, provided it includes all required items and complies with the rules of procedure adopted by the credit union.

**Section 5. Quorum.** Except as otherwise provided, 15 members constitute a quorum at annual or special meetings. If no quorum is present, an adjournment may be taken to a date at least 7 but not more than 14 days thereafter. The members present at any adjourned meeting will constitute a quorum, regardless of the number of members present. The same notice must be given for the adjourned meeting as is prescribed in Section 2 of this article for the original meeting, except that the notice must be given at least 5 days before the date of the meeting as fixed in the adjournment.

#### Article V. Elections

**Election by electronic device (including but not limited to telephone and electronic mail) or mail ballot; nominating committee and nominations by petition.**

**Section 1. Nomination procedures.** At least 120 days before each annual meeting, the chair will appoint a nominating committee of three or more members. It is the duty of the nominating committee to nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held, and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected.

The nominating committee files its nominations with the secretary of the credit union at least 90 days before the annual meeting, and the secretary notifies in writing all members eligible to vote at least 75 days before the annual meeting that nominations for vacancies may also be made by petition signed by 1% of the members with a minimum of 20 and a maximum of 500. The secretary may use electronic mail to notify members who have opted to receive notices or statements electronically.



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The notice must indicate that the election will not be conducted by ballot and there will be no nominations from the floor when the number of nominees equals the number of positions to be filled. A brief statement of qualifications and biographical data in a form approved by the board of directors will be included for each nominee submitted by the nominating committee with the notice to all eligible members. Each nominee by petition must submit a similar statement of qualifications and biographical data with the petition. The notice must state the closing date for receiving nominations by petition. In all cases, the period for receiving nominations by petition must extend at least 30 days from the date of the petition requirement and the list of nominating committee's nominees are mailed to all members. To be effective, nominations by petition must be accompanied by a signed certificate from the nominee or nominees stating that they are agreeable to nomination and will serve if elected to office. Nominations by petition must be filed with the secretary of the credit union at least 40 days before the annual meeting and the secretary will ensure that nominations by petition, along with those of the nominating committee, are posted in a conspicuous place in each credit union office at least 35 days before the annual meeting.

**Section 2. Election procedures.** All elections are determined by plurality vote. All elections will be by electronic device or mail ballot, subject to the following conditions:

- (a) The board of directors will appoint the election tellers;
- (b) If sufficient nominations are made by the nominating committee or by petition to provide more nominees than positions to be filled, the secretary, at least 30 days before the annual meeting, will cause either a printed ballot or notice of ballot to be mailed to all members eligible to vote. Electronic mail may be used to provide the notice of ballot to members who have opted to receive notices or statements electronically;
- (c) If the credit union is conducting its elections electronically, the secretary will cause the following materials to be transmitted to each eligible voter and the following procedures will be followed:
  - (1) One notice of balloting stating the names of the candidates for the board of directors and the candidates for other separately identified offices or committees. The name of each candidate must be followed by a brief statement of qualifications and biographical data in a form approved by the board of directors. Electronic mail may be used to provide the notice of ballot to members who have opted to receive notices or statements electronically.



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- (2) One mail ballot that conforms to Section 2(d) of this article and one instruction sheet stating specific instructions for the electronic election procedure, including how to access and use the system, and the period of time in which votes will be taken. The instruction will state that members without the requisite electronic device necessary to vote on the system may vote by submitting the enclosed mail ballot and specify the date the mail ballot must be received by the credit union. For members who have opted to receive notices or statements electronically, the mail ballot is not required and electronic mail may be used to provide the instructions for the electronic election procedure.
- (3) It is the duty of the tellers of election to verify, or cause to be verified the name of the voter and the credit union account number as they are registered in the electronic balloting system. It is the duty of the teller to test the integrity of the balloting system at regular intervals during the election period.
- (4) Ballots must be received no later than midnight, 5 calendar days before the annual meeting.
- (5) The vote will be tallied by the tellers. The result must be verified at the annual meeting and the chair will make the result of the vote public at the annual meeting.
- (6) In the event of malfunction of the electronic balloting system, the board of directors may in its discretion order elections be held by mail ballot only. The mail ballots must conform to Section 2(d) of this article and must be mailed once more to all eligible members 30 days before the annual meeting. The board may make reasonable adjustments to the voting time frames above, or postpone the annual meeting when necessary, to complete the elections before the annual meeting.
- (d) If the credit union is conducting its election by mail ballot, the secretary will cause the following materials to be mailed to each member and the following procedures will be followed:
- (1) One ballot, clearly identified as the ballot on which the names of the candidates for the board of directors and the candidates for other separately identified offices or committees are printed in random order. The name of each candidate will be followed by a brief statement of qualifications and biographical data in a form approved by the board of directors;
- (2) One ballot envelope clearly marked with instructions that the completed ballot must be placed in that envelope and sealed;



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(3) One identification form to be completed so as to include the name, address, signature and credit union account number of the voter;

(4) One mailing envelope in which the voter, following instructions provided with the mailing envelope, must insert the sealed ballot envelope and the identification form, and which must have postage prepaid and be preaddressed for return to the tellers;

(5) When properly designed with features that preserve the secrecy of the ballot, one form can be printed that represents a combined ballot and identification form, and postage prepaid and preaddressed return envelope;

(6) It is the duty of the tellers to verify, or cause to be verified, the name and credit union account number of the voter as appearing on the identification form; to place the verified identification form and the sealed ballot envelope in a place of safekeeping pending the count of the vote; in the case of a questionable or challenged identification form, to retain the identification form and sealed ballot envelope together until the verification or challenge has been resolved;

(7) Ballots mailed to the tellers must be received by the tellers no later than midnight 5 days before the date of the annual meeting;

(8) The vote will be tallied by the tellers. The result will be verified at the annual meeting and the chair will make the result of the vote public at the annual meeting.

**Section 3. Order of nominations.** Nominations may be in the following order:

(a) Nominations for directors.

(b) Nominations for credit committee members, if applicable. Elections may be by separate ballots following the same order as the above nominations or, if preferred, may be by one ballot for all offices.

**Section 4. Proxy and agent voting.** Members cannot vote by proxy. A member other than a natural person may vote through an agent designated in writing for the purpose.

**Section 5. One vote per member.** Irrespective of the number of shares, no member has more than one vote.



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**Section 6. Submission of information regarding credit union officials to NCUA.** The names and addresses of members of the board, board officers, executive committee, and members of the credit committee, if applicable, and supervisory committees must be forwarded to the Administration in accordance with the Act and regulations in the manner as may be required by the Administration.

**Section 7. Minimum age requirement.** Members must be at least 18 years of age by the date of the meeting (or for appointed offices, the date of appointment) in order to vote at meetings of the members, hold elective or appointive office, sign nominating petitions, or sign petitions requesting special meetings.

### Article VI. Board of Directors

**Section 1. Number of members.** The board consists of eleven (11) members, all of whom must be members of this credit union. The number of directors may be changed to an odd number not fewer than 5 nor more than 15 by resolution of the board. No reduction in the number of directors may be made unless corresponding vacancies exist as a result of deaths, resignations, expiration of terms of office, or other actions provided by these bylaws. A copy of the resolution of the board covering any increase or decrease in the number of directors must be filed with the official copy of the bylaws of this credit union.

**Section 2. Composition of board.** Zero (0) directors or committee members may be a paid employee of the credit union. One (1) immediate family members of a director or committee member may be a paid employee of the credit union. In no case may employees, family members, or employees and family members constitute a majority of the board. The board may appoint a management official who may not be a member of the board and one or more assistant management officials who may not be a member of the board. If the management official or assistant management official is permitted to serve on the board, he or she may not serve as the chair.

**Section 3. Terms of office.** Regular terms of office for directors must be for periods of either 2 or 3 years as the board determines. All regular terms must be for the same number of years and until the election and qualification of successors. Regular terms must be fixed at the first meeting, or upon any increase or decrease in the number of directors, so that approximately an equal number of regular terms must expire at each annual meeting.



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**Section 4. Vacancies.** Any vacancy on the board, credit committee, if applicable, or supervisory committee will be filled as soon as possible by vote of a majority of the directors then holding office. Directors and credit committee members appointed to fill a vacancy will hold office only until the next annual meeting, at which any unexpired terms will be filled by vote of the members, and until the qualification of their successors. Members of the supervisory committee appointed to fill a vacancy will hold office until the first regular meeting of the board following the next annual meeting of members, at which the regular term expires, and until the appointment and qualification of their successors.

**Section 5. Regular and special meetings.** A regular meeting of the board must be held each month at the time and place fixed by resolution of the board. One regular meeting each calendar year must be conducted in person. If a quorum is present in person for the annual in person meeting, the remaining board members may participate using audio or video teleconference methods. The other regular meetings may be conducted using audio or video teleconference methods. The chair, or in the chair's absence the ranking vice chair, may call a special meeting of the board at any time and must do so upon written request of a majority of the directors then holding office. Unless the board prescribes otherwise, the chair, or in the chair's absence the ranking vice chair, will fix the time and place of special meetings. Notice of all meetings will be given in such manner as the board may from time to time by resolution prescribe. Special meetings may be conducted using audio or video teleconference methods.

**Section 6. Board responsibilities.** The board has the general direction and control of the affairs of this credit union and is responsible for performing all the duties customarily performed by boards of directors. This includes but is not limited to the following:

- (a) Directing the affairs of the credit union in accordance with the Act, these bylaws, the rules and regulations and sound business practices.
- (b) Establishing programs to achieve the purposes of this credit union as stated in Article I, Section 2, of these bylaws.
- (c) Establishing a loan collection program and authorizing the chargeoff of uncollectible loans.
- (d) Establishing a policy to address training for newly elected and incumbent directors and volunteer officials, in areas such as ethics and fiduciary responsibility, regulatory compliance, and accounting and determining that all persons appointed or elected by this credit union to any position requiring the receipt, payment or custody of money or other property of this credit





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union, or in its custody or control as collateral or otherwise, are properly bonded in accordance with the Act and regulations.

(e) Performing additional acts and exercising additional powers as may be required or authorized by applicable law.

(f) Reviewing denied loan applications of members who file written requests for review.

(g) Appointing one or more loan officers and delegating to those officers the power to approve or disapprove loans, lines of credit or advances from lines of credit.

(h) In its discretion, appointing a loan review committee to review loan denials and delegating to the committee the power to overturn denials of loan applications. The committee will function as a mid-level appeal committee for the board. Any denial of a loan by the committee must be reviewed by the board upon written request of the member. The committee must consist of three members and the regular term of office of the committee member will be for two years. Not more than one member of the committee may be appointed as a loan officer.

**Section 7. Quorum.** A majority of the number of directors, including any vacant positions, constitutes a quorum for the transaction of business at any meeting, except that vacancies may be filled by a quorum consisting of a majority of the directors holding office as provided in Section 4 of this article. Fewer than a quorum may adjourn from time to time until a quorum is in attendance.

**Section 8. Attendance and removal.** If a director or a credit committee member, if applicable, fails to attend regular meetings of the board or credit committee, respectively, for 3 consecutive months, or 4 meetings within a calendar year, or otherwise fails to perform any of the duties as a director or a credit committee member, the office may be declared vacant by the board and the vacancy filled as provided in the bylaws.

The board may remove any board officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.

When any board officer, membership officer, executive committee member or investment committee member is absent, disqualified, or otherwise unable to perform the duties of the office, the board may by resolution designate another member of this credit union to fill the position temporarily. The board may also, by resolution, designate another member or members of this credit union to act on the credit committee when necessary in order to obtain a quorum.



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**Section 9. Suspension of supervisory committee members.** Any member of the supervisory committee may be suspended by a majority vote of the board of directors. The members of this credit union will decide, at a special meeting held not fewer than 7 nor more than 14 days after any such suspension, whether the suspended committee member will be removed from or restored to the supervisory committee.

#### **Article VII. Board Officers, Management Officials and Executive Committee**

**Section 1. Board officers.** The board officers of this credit union are comprised of a chair, one or more vice chairs, a financial officer, and a secretary, all of whom are elected by the board and from their number. The board determines the title and rank of each board officer and records them in the addendum to this article. One board officer, the Treasurer, may be compensated for services as determined by the board. If more than one vice chair is elected, the board determines their rank as first vice chair, second vice chair, and so on. The offices of the financial officer and secretary may be held by the same person. If a management official or assistant management official is permitted to serve on the board, he or she may not serve as the chair. Unless removed as provided in these bylaws, the board officers elected at the first meeting of the board hold office until the first meeting of the board following the first annual meeting of the members and until the election and qualification of their respective successors.

**Section 2. Election and term of office.** Board officers elected at the meeting of the board next following the annual meeting of the members, which must be held not later than 7 days after the annual meeting, hold office for a term of 1 year and until the election and qualification of their respective successors; provided, however, that any person elected to fill a vacancy caused by the death, resignation, or removal of an officer is elected by the board to serve only for the unexpired term of that officer and until a successor is duly elected and qualified.

**Section 3. Duties of Chair.** The chair presides at all meetings of the members and at all meetings of the board, unless disqualified through suspension by the supervisory committee. The chair also performs other duties customarily assigned to the office of the chair or duties he or she is directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws.

**Section 4. Approval required.** The board must approve all individuals who are authorized to sign all notes of this credit union and all checks, drafts and other orders for disbursement of credit union funds.



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**Section 5. Vice chair.** The ranking vice chair has and may exercise all the powers, authority, and duties of the chair during the chair's absence or inability to act.

**Section 6. Duties of financial officer.** The financial officer manages this credit union under the control and direction of the board unless the board has appointed a management official to act as general manager. Subject to limitations, controls and delegations the board may impose, the financial officer will:

- (a) Have custody of all funds, securities, valuable papers and other assets of this credit union.
- (b) Provide and maintain full and complete records of all the assets and liabilities of this credit union in accordance with forms and procedures prescribed in regulations and other guidance approved by the Administration, including, for small credit unions, the Accounting Manual for Federal Credit Unions.
- (c) Within 20 days after the close of each month, ensure that a financial statement showing the condition of this credit union as of the end of the month, including a summary of delinquent loans is prepared and submitted to the board and post a copy of the statement in a conspicuous place in the office of the credit union where it will remain until replaced by the financial statement for the next succeeding month.
- (d) Ensure that financial and other reports the Administration may require are prepared and sent.
- (e) Within standards and limitations prescribed by the board, employ tellers, clerks, bookkeepers, and other office employees, and have the power to remove these employees.
- (f) Perform other duties customarily assigned to the office of the financial officer or duties he or she is directed to perform by resolution of the board not inconsistent with the Act, regulations and these bylaws.

The board may employ one or more assistant financial officers, none of whom may also hold office as chair or vice chair, and may authorize them, under the direction of the financial officer, to perform any of the duties devolving on the financial officer, including the signing of checks. When designated by the board, any assistant financial officer may also act as financial officer during the financial officer's temporary absence or temporary inability to act.



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**Section 7. Duties of management official and assistant management official.** The board may appoint a management official who is under the direction and control of the board or of the financial officer as determined by the board. The management official may be assigned any or all of the responsibilities of the financial officer described in Section 6 of this article. The board will determine the title and rank of each management official and record them in the addendum to this article. The board may employ one or more assistant management officials. The board may authorize assistant management officials under the direction of the management official, to perform any of the duties devolving on the management official, including the signing of checks. When designated by the board, any assistant management official may also act as management official during the management official's temporary absence or temporary inability to act.

**Section 8. Board powers regarding employees.** The board employs, fixes the compensation, and prescribes the duties of employees as necessary, and has the power to remove employees, unless it has delegated these powers to the financial officer or management official. Neither the board, the financial officer, nor the management official has the power or duty to employ, prescribe the duties of, or remove necessary clerical and auditing assistance employed or used by the supervisory committee and, if there is a credit committee, the power or duty to employ, prescribe the duties of, or remove any loan officer appointed by the credit committee.

**Section 9. Duties of secretary.** The secretary prepares and maintains full and correct records of all meetings of the members and of the board, which records will be prepared within 7 days after the respective meetings. The secretary must promptly inform the Administration in writing of any change in the address of the office of this credit union or the location of its principal records. The secretary will give or cause to be given, in the manner prescribed in these bylaws, proper notice of all meetings of the members, and perform other duties he or she may be directed to perform by resolution of the board not inconsistent with the Act, regulations and these bylaws. The board may employ one or more assistant secretaries, none of whom may also hold office as chair, vice chair, or financial officer, and may authorize them under direction of the secretary to perform any of the duties assigned to the secretary.

**Section 10. Executive committee.** As authorized by the Act, the board may appoint an executive committee of not fewer than three directors to serve at its pleasure, to act for it with respect to the board's specifically delegated functions. When making delegations to the executive committee, the board must be specific with regard to the committee's authority and limitations related to the particular delegation. The board may also authorize any of the following to approve membership applications under conditions the board and these bylaws may prescribe: an executive committee; a membership officer(s) appointed by the board from the membership, other than a board member paid as an officer; the financial officer; any assistant to the paid



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officer of the board or to the financial officer; or any loan officer. No executive committee member or membership officer may be compensated as such.

**Section 11. Investment committee.** The board may appoint an investment committee composed of not less than two, to serve at its pleasure to have charge of making investments under rules and procedures established by the board. No member of the investment committee may be compensated as such.

**Addendum:** The board must list the positions of the board officers and management officials of this credit union. They are as follows:

- (a) The Chair is to have the title of Chairman.
- (b) The 1st Vice Chair is to have the title of 1st Vice Chairman.
- (c) The 2<sup>nd</sup> Vice Chair is to have the title of 2<sup>nd</sup> Vice Chairman.
- (d) The Financial Officer is to have the title of Treasurer.
- (e) The Secretary is to have the title of Secretary.
- (f) The Management Official is to have the title of Chief Executive Officer.

**Article VIII. Loan Officers**

**Section 1. Records of loan officer; prohibition on loan officer disbursing funds.** Each loan officer must maintain a record of each approved or not approved transaction within 7 days of the filing of the application or request, and such record becomes a part of the records of the credit union. No individual may disburse funds of this credit union for any application or share withdrawal which the individual has approved as a loan officer.

**Section 2. Duties of loan officer.** For each loan or line of credit, the loan officer must inquire into the character and financial condition of the applicant and the applicant's sureties, if any, to ascertain their ability to repay fully and promptly the obligations incurred by them and to determine whether the loan or line of credit will be of probable benefit to the borrower. The loan officers should endeavor diligently to assist applicants in solving their financial problems.

**Section 3. Unapproved loans prohibited.** No loan or line of credit may be made unless approved by a loan officer in accordance with applicable law and regulations.

**Section 4. Lending procedures.** Subject to the limits imposed by applicable law and regulations, these bylaws, and the general policies of the board, a loan officer determines the security if any required for each application and the terms of repayment. The security furnished must be



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adequate in quality and character and consistent with sound lending practices. When funds are not available to make all the loans and lines of credit for which there are applications, preference should be given, in all cases, to the smaller applications if the need and credit factors are nearly equal.

#### **Article IX. Supervisory Committee**

**Section 1. Appointment and membership.** The supervisory committee is appointed by the board from among the members of this credit union, one of whom may be a director other than the financial officer or the compensated officer of the board. The board determines the number of members on the committee, which may not be fewer than 3 nor more than 5. No member of the credit committee, if applicable, or any employee of this credit union may be appointed to the committee. Regular terms of committee members are for periods of 1, 2, or 3 years as the board determines: provided, however, that all regular terms are for the same number of years and until the appointment and qualification of successors. The regular terms are fixed at the beginning, or upon any increase or decrease in the number of committee members, so that approximately an equal number of regular terms expires at each annual meeting.

**Section 2. Officers of supervisory committee.** The supervisory committee members choose from among their number a chair and a secretary. The secretary of the supervisory committee prepares, maintains, and has custody of full and correct records of all actions taken by it. The offices of chair and secretary may be held by the same person.

**Section 3. Duties of supervisory committee.** The supervisory committee makes, or causes to be made, the audits, and prepares and submits the written reports required by the Act and regulations. The committee may employ and use clerical and auditing assistance required to carry out its responsibilities prescribed by this article, and may request the board to provide compensation for this assistance. It will prepare and forward to the Administration required reports.

**Section 4. Verification of accounts.** The supervisory committee will cause the verification of the accounts of all members with the records of the financial officer from time to time and not less frequently than as required by the Act and regulations. The committee must maintain a record of such verification.

**Section 5. Powers of supervisory committee – removal of directors and credit committee members.** By unanimous vote, the supervisory committee may suspend until the next meeting of the members any director, board officer, or member of the credit committee. In the event of any



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suspension, the supervisory committee must call a special meeting of the members to act on the suspension, which meeting must be held not fewer than 7 nor more than 14 days after the suspension. The chair of the committee acts as chair of the meeting unless the members select another person to act as chair.

**Section 6. Powers of supervisory committee — special meetings.** By the affirmative vote of a majority of its members, the supervisory committee may call a special meeting of the members to consider any violation of the provisions of the Act, the regulations, or of the charter or the bylaws of this credit union, or to consider any practice of this credit union which the committee deems to be unsafe or unauthorized.

#### **Article X. Organization Meeting**

**Section 1. Initial Meeting.** When application is made for a federal credit union charter, the subscribers to the organization certificate must meet for the purpose of electing a board of directors and a credit committee, if applicable. Failure to commence operations within 60 days following receipt of the approved organization certificate is cause for revocation of the charter unless a request for an extension of time has been submitted to and approved by the Regional Director.

**Section 2. Election of directors and credit committee.** The subscribers elect a chair and a secretary for the meeting. The subscribers then elect from their number, or from those eligible to become members of this credit union, a board of directors and a credit committee, if applicable, all to hold office until the first annual meeting of the members and until the election and qualification of their respective successors. If not already a member, every person elected under this section or appointed under section 3 of this article, must qualify within 30 days by becoming a member. If any person elected as a director or committee member or appointed as a supervisory committee member does not qualify as a member within 30 days of such an election or appointment, the office will automatically become vacant and be filled by the board.

**Section 3. Election of Board Officers.** Promptly following the elections held under the provisions of section 2 of this article, the board must meet and elect the board officers who will hold office until the first meeting of the board of directors following the first annual meeting of the members and until the election and qualification of their respective successors. The board also appoints a supervisory committee at this meeting as provided in Article IX, section 1, of these bylaws and a credit committee, if applicable. The members so appointed hold office until the first regular meeting of the board following the first annual meeting of the members and until the appointment and qualification of their respective successors.



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**Article XI. Loans and Lines of Credit to Members**

**Section 1. Loan purposes.** Loans may only be made to members and for provident or productive purposes in accordance with applicable law and regulations.

**Section 2. Delinquency.** Any member whose loan is delinquent may be required to pay a late charge as determined by the board of directors.

**Article XII. Dividends**

**Section 1. Power of the board to declare dividends.** The board establishes dividend periods and declares dividends as permitted by the Act and applicable regulations.

**Article XIII. RESERVED**

**Article XIV. Expulsion and Withdrawal**

**Section 1. Expulsion procedure; expulsion or withdrawal does not affect members' liability or shares.** A member may be expelled by a two-thirds vote of the members present at special meeting called for that purpose, but only after the member has been given the opportunity to be heard. A member also may be expelled under a nonparticipation policy adopted by the board of directors and provided to each member in accordance with the Act. Expulsion or withdrawal will not operate to relieve a member of any liability to this credit union. All amounts paid in on shares by expelled or withdrawing members, before their expulsion or withdrawal, will be paid to them in the order of their withdrawal or expulsion, but only as funds become available and only after deducting any amounts due to this credit union.

**Article XV. Minors**

**Section 1. Minors permitted to own shares.** Shares may be issued in the name of a minor. State law governs the rights of minors to transact business with this credit union.

**Article XVI. General**

**Section 1. Compliance with law and regulation.** All power, authority, duties, and functions of the members, directors, officers, and employees of this credit union, pursuant to the provisions of these bylaws, must be exercised in strict conformity with the provisions of applicable law and regulations, and of the charter and the bylaws of this credit union.





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**Section 2. Confidentiality.** The officers, directors, members of committees and employees of this credit union must hold in confidence all transactions of this credit union with its members and all information respecting their personal affairs, except when permitted by state or federal law.

**Section 3. Removal of directors and committee members.** Notwithstanding any other provisions in these bylaws, any director or committee member of this credit union may be removed from office by the affirmative vote of a majority of the members present at a special meeting called for the purpose, but only after an opportunity has been given to be heard.

**Section 4. Conflicts of interests prohibited.** No director, committee member, officer, agent, or employee of this credit union may participate in any manner, directly or indirectly, in the deliberation upon or the determination of any question affecting his or her pecuniary or personal interest or the pecuniary interest of any corporation, partnership, or association (other than this credit union) in which he or she is directly or indirectly interested. In the event of the disqualification of any director respecting any matter presented to the board for deliberation or determination, that director must withdraw from the deliberation or determination; and if the remaining qualified directors present at the meeting plus the disqualified director or directors constitute a quorum, the remaining qualified directors may exercise with respect to this matter, by majority vote, all the powers of the board. In the event of the disqualification of any member of the credit committee, if applicable, or the supervisory committee, that committee member must withdraw from the deliberation or determination.

**Section 5. Records.** Copies of the organization certificate of this credit union, its bylaws and any amendments thereof, and any special authorizations by the Administration must be preserved in a place of safekeeping. Copies of the organization certificate and field of membership amendments should be attached as an appendix to these bylaws. Returns of nominations and elections and proceedings of all regular and special meetings of the members and directors must be recorded in the minute books of this credit union. The minutes of the meetings of the members, the board, and the committees must be signed by their respective chairmen or presiding officers and by the persons who serve as secretaries of such meetings.

**Section 6. Availability of credit union records.** All books of account and other records of this credit union must be available at all times to the directors and committee members of this credit union provided they have a proper purpose for obtaining the records. The charter and bylaws of this credit union must be made available for inspection by any member and, if the member requests a copy, it will be provided for a reasonable fee.



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Section 7. **Member contact information.** Members must keep the credit union informed of their current address.

Section 8. **Indemnification.** (a) This credit union shall indemnify to the extent authorized by the Model Business Corporation Act ("MBCA"), including "indemnification to the fullest extent permitted by law" pursuant to MBCA Section 8.58(a) and otherwise, all current and former officials and employees from any liability asserted against them and expenses reasonably incurred by them in connection with judicial or administrative proceedings to which they are or may become parties by reason of the performance of their official duties, and so all current and former directors, officers, officials, and employees shall be indemnified and shall be advanced funds for expenses to the fullest extent permitted by law (including MBCA Chapter 8, Subchapter E, Sections 8.50 thru 8.59), except in the case of any criminal proceeding and any litigation involving the NCUA, for which indemnification and advancement of funds for expenses shall remain permissive within the meaning of MBCA Section 8.51 entitled "Permissible indemnification" unless court-ordered within the meaning of MBCA Section 8.54 entitled "Court-ordered indemnification and advance for expenses."

(b) The credit union may purchase and maintain insurance on behalf of the individuals indicated in (a) above against any liability asserted against them and expenses reasonably incurred by them in their official capacities and arising out of the performance of their official duties to the extent such insurance is permitted by the applicable state law or the Model Business Corporation Act.

(c) The term "official" in this bylaw means a person who is a member of the board of directors, credit committee, supervisory committee, other volunteer committee (including elected or appointed loan officers or membership officers), established by the board of directors.

#### Article XVII. Amendments of Bylaws and Charter

Section 1. **Amendment procedures.** Amendments of these bylaws may be adopted and amendments of the charter requested by the affirmative vote of two-thirds of the authorized number of members of the board at any duly held meeting of the board if the members of the board have been given prior written notice of the meeting and the notice has contained a copy of the proposed amendment or amendments. No amendment of these bylaws or of the charter may become effective, however, until approved in writing by the NCUA Board.

#### Article XVIII. Definitions

**Exhibit D**

Dear Mrs.Krystyna Myssura

A "Petition for Special Meeting" has been received by me, a copy of the Petition is attached together with cover letter dated February 15, 2012 from the Civic Committee of Members of PSFCU, Inc. Please be advised that as requested, a Special Meeting will be held on March 11, 2012 at at 2pm at Polish National Home at 261 Driggs Ave, Brooklyn NY 11222 to vote on your expulsion from membership from the Credit Union for the following reasons: (i) awarding monies to Krystyna Myssura for her own financial benefit; (ii) forwarding members' dues to the Polish and Slavic Center without requesting financial report; (iii) replacing highly qualified supervisory members with lesser qualified Andrew Kaminski and Jacek Bakowski; and iv) terminating of CEO, Mr. Bogdan Chmielewski; at which time you will be afforded a be given a full and fair opportunity to be heard.

Marzena Wierzbowska\_\_\_\_  
Marzena Wierzbowska  
Chairman, Board of Directors  
Polish & Slavic Federal Credit Union  
100 McGuinness Blvd.  
Brooklyn, NY 11222

March 2, 2012

**Exhibit E**



July 11, 2011

Mr. Mark Treichel  
Regional Director  
National Credit Union Administration  
Region 1  
9 Washington Square  
Washington Avenue Extension  
Albany, NY 12205-5576

Re: Status of Special Meeting (Signature Verification)

Dear Mr. Treichel,

The Supervisory Committee would like to inform you of the current situation resulting from the Special meeting that was called by a group of members calling itself the Civic Committee of P&SFCU Members ("Civic Committee"). A petition signed by 1,693 members was received by the Credit Union (a letter was sent to you on March 11, 2010 concerning this matter) requesting the removal of certain Board of Directors and a Supervisory Committee member. The BOD tried to stop this meeting by taking legal action but was unsuccessful. A Credit Union appeal is now pending in the Appellate Division of the NYS Court and is expected to be fully submitted by both sides in July of this year.

In the meantime, the Credit Union has vetoed on the courts decision and has taken measures to arrange for the special meeting. The 1,693 petition signatures were sent to an independent firm specializing in signature verification and credit union elections, Election Services Corporation.

The results were as follows:

- 1.) Only 922 signatures were verified as being signed by Credit Union members.
- 2.) Of the 922 verified signatures only 592 members could be reached by phone.
- 3.) Of the 592 members contacted by ESC representatives, 132 stated that it was not their intention to remove P&SFCU officials, and they requested that their signatures be removed.
- 4.) 113 of the members contacted stated that they had no recollection of signing the petition and had no intention of calling a Special Meeting.

**Exhibit F**

**Supreme Court of the State of New York**  
**Appellate Division: Second Judicial Department**

D33660

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Submitted - October 21, 2011

WILLIAM F. MASTRO, A.P.J.  
MARK C. DILLON  
SANDRA L. SGROI  
ROBERT J. MILLER, JJ.

2011-02809  
2011-04308

DECISION & ORDER

In the Matter of Jozef Luczaj, etc., et al., respondents,  
v Tomasz Bortnik, Chairman of the Polish & Slavic  
Federal Credit Union Board of Directors, et al.,  
appellants.

(Index No. 30360/10)

Mitchell Pollack & Associates, PLLC, Tarrytown, N.Y. (Mitchell B. Pollack and  
Eileen M. Burger of counsel), for appellants.

Jozef Luczaj, Arverne, N.Y., Henryk Kwiatkowski, Ridgwood, N.Y., Aleksandra  
Januszevska, Brooklyn, N.Y., and Antoni Chroscielewski, Bellerose, N.Y.,  
respondents pro se (one brief filed).

In a proceeding pursuant to CPLR article 78, inter alia, in the nature of mandamus to compel the Board of Directors of the Polish & Slavic Federal Credit Union to call and hold a special meeting of its membership, Tomasz Bortnik, the Chairman of the Polish & Slavic Federal Credit Union Board of Directors, and the Board of Directors of the Polish & Slavic Federal Credit Union appeal from (1) an order and judgment (one paper) of the Supreme Court, Kings County (F. Rivera, J.), dated March 4, 2011, which denied their motion pursuant to CPLR 3211 to dismiss the petition and granted the petition to the extent of directing the Polish & Slavic Federal Credit Union to call and hold a special meeting within 30 days from the date of the order, and (2) so much of an order of the same court dated April 19, 2011, as, in effect, granted the petitioners' motion to set a date certain for the special meeting to the extent of directing the Polish & Slavic Federal Credit Union to call and hold a meeting between June 20, 2011, and June 30, 2011. By decision and order on motion dated May 31, 2011, this Court granted the motion of Tomasz Bortnik, the Chairman of

January 24, 2012

MATTER OF LUCZAJ v BORTNIK

Page 1.



the Polish & Slavic Federal Credit Union Board of Directors, and the Board of Directors of the Polish & Slavic Federal Credit Union, in effect, to stay enforcement of the orders dated March 4, 2011, and April 19, 2011, pending hearing and determination of the appeals.

ORDERED that on the Court's own motion, the notice of appeal from the order dated April 19, 2011, is treated as application for leave to appeal, and leave to appeal is granted (*see* CPLR 5701[c]); and it is further,

ORDERED that the order and judgment dated March 4, 2011, is reversed, on the law, and the motion pursuant to CPLR 3211 to dismiss the petition is granted; and it is further,

ORDERED that the order dated April 19, 2011, is reversed insofar as appealed from, on the law, and the motion to set a date certain for a special meeting of the membership of the Polish & Slavic Federal Credit Union is denied; and it is further,

ORDERED that one bill of costs is awarded to the appellants.

The petitioners are members of both an unincorporated voluntary association known as the Polish & Slavic Federal Credit Union (hereinafter the Credit Union) and an entity known as the Civic Committee of Members of the Credit Union, which is not a member of the Credit Union. In January 2010, a petition signed by 1,693 members of the Credit Union (hereinafter the Special Petition) was submitted to the Board of Directors of the Credit Union (hereinafter the Board of Directors) requesting it to call and hold a special meeting of its membership. The Chairman of the Board of Directors rejected the Special Petition by letter dated February 11, 2010, on the ground that it wrongfully sought to remove duly elected members of the Board of Directors from office without proper notice and an opportunity to be heard, as required by the Credit Union bylaws.

The petitioners commenced this proceeding pursuant to CPLR article 78, *inter alia*, in the nature of mandamus to compel the Board of Directors to call and hold a special meeting. In response, the Chairman and Board of Directors moved to dismiss the petition pursuant to CPLR 3211, arguing, *inter alia*, that the Credit Union was a voluntary unincorporated association which was not subject to jurisdiction under CPLR article 78.

By order dated March 4, 2011, the Supreme Court denied the motion to dismiss and directed the Credit Union to call and hold a special meeting within 30 days from the date of the March 4, 2011, order pursuant to Credit Union bylaws. The petitioners then moved to set a date certain for the meeting. By order dated April 19, 2011, the Supreme Court, *inter alia*, in effect, granted the petitioners' motion to set a date certain for the special meeting to the extent of directing the Credit Union to call and hold a meeting between June 20, 2011, and June 30, 2011.

A special proceeding under CPLR article 78 is available to challenge the action or inaction of agencies and officers of state and local government (*see Matter of Dandamar Co., LLC v Town of Pleasant Val. Town Bd.*, 86 AD3d 83, 89; *see also* Alexander, Practice Commentaries, McKinney's Cons Laws of NY, Book 7B, CPLR 7801:1). The relief of mandamus is available to enforce membership rights which derive from corporate, rather than contractual, association status (*see Matter of Phalen v Theatrical Protective Union No. 1.*, 22 NY2d 34, 39-40, *cert denied* 393 US January 24, 2012

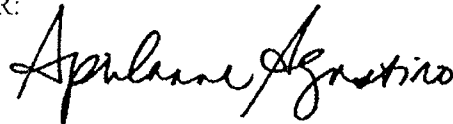
1000; *Brasseur v Speranza*, 21 AD3d 297; *Matter of Cullinan v Ahern*, 212 AD2d 103, 106-107; *State Div. of Human Rights v New York State Dept. of Correctional Servs.*, 90 AD2d 51, 69 n 7; *Matter of Weidenfeld v Keppler*, 84 App Div 235, 238, *affd* 176 NY 562; *cf. Matter of Dandomar Co., LLC v Town of Pleasant Valley Town Board*, 86 AD3d at 89).

The Chairman and the Board of Directors demonstrated that the Credit Union was organized on September 30, 1976, as a commercial credit union pursuant to the Federal Credit Union Act. Accordingly, the motion to dismiss the CPLR article 78 petition should have been granted because the Credit Union is not subject to jurisdiction in a proceeding pursuant to CPLR article 78 and, therefore, the relief of mandamus, which is available in an article 78 proceeding, may not be imposed against it (*see Matter of Phalen v Theatrical Protective Union No. 1.*, 22 NY2d at 39-40; *Brasseur v Speranza*, 21 AD3d 297; *Matter of Weidenfeld v Keppler*, 84 App Div at 238; *cf. Matter of Dandomar Co., LLC v Town of Pleasant Val. Town Bd.*, 86 AD3d at 89). Since the motion to dismiss the petition should have been granted, the petitioners' subsequent motion to set a date certain for the special meeting must be denied.

The remaining contentions of the Chairman and the Board of Directors have been rendered academic in light of our determination.

MASTRO, A.P.J., DILLON, SGROI and MILLER, JJ., concur.

ENTER:

A handwritten signature in black ink, appearing to read "Aprilanne Agostino". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Aprilanne Agostino  
Clerk of the Court

**BORTNIK AFFIDAVIT**

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

Index No.: 5212/12

-----X  
THE SUPERVISORY COMMITTEE OF THE  
POLISH & SLAVIC FEDERAL CREDIT UNION,  
WOJCIEH MIECZKO, IRENA MARCHAJ,  
TOMASZ BORTNIK, ANDREW KAMINSKI,  
and KRYSTYNA MYSSURA,

**AFFIDAVIT**

Plaintiffs,

v.

MARZENA WIERZBOWSKA,

Defendant.

-----X  
STATE OF NEW YORK     )  
                                  ) s.s.  
COUNTY OF NEW YORK)

**TOMASZ BORTNIK**, being duly sworn, deposes and says:

1. I am a member of the Board of Directors of the Polish & Slavic Federal Credit Union ("PSFCU") and a plaintiff in the above-referenced action. I first became a member of PSFCU in 1985. I am serving on the Board of Directors of the PSFCU in the term from 2009 to present. From 2009 to 2011, I served as Chairman of the Board of Directors. As such, I am fully familiar with and have personal knowledge of the facts and circumstances set forth herein.

2. Defendant Marzena Wierzbowska ("Wierzbowska"), the current Chair, has noticed a special meeting ("Special Meeting") of the members of the PSFCU presently scheduled for March 11, 2012. The Special Meeting has been noticed in order to expel me and others from the Board of Directors of PSFCU and the Supervisory Committee.

3. The Notice of the Special Meeting is defective in that it identifies the grounds for my expulsion so generally as to be meaningless and clearly deprives me and the other members of their due process rights. Wierzbowska has called the Special Meeting to expel me, a member of the Board of

Directors, both from the Board and the PSFCU; however, the Notice prevents me from understanding precisely what I have been charged with and as a result, I have not been afforded the opportunity to properly defend myself.

4. Just by way of example, the Notice attempts to expel me and three other Board members without explaining how we, as opposed to other Board members, have responsibility for the four items mentioned. The Notice also refers to “awarding monies to Krystyna Myssura for her own benefit.” There is no explanation of what monies are being referred to, when this was done or what alleged circumstances caused the monies to be “awarded.” I am left to guess the meaning of this charge, which denies me due process.

5. Equally perplexing is the reference to the termination of PSFCU’s prior Chief Executive Officer (“CEO”). The Board of Directors indeed terminated the CEO in 2010. There is no explanation as to how in 2012 this is a cause for my expulsion from the Board and from the PSFCU, what if anything was wrong with the termination and why certain Board members should be expelled by this Board action. The Rules specify a procedure for disciplining any Board member, which involves multiple steps and is designed to afford due process to the Board member facing discipline. Wierzbowska has simply ignored this process.

6. Moreover, the Notice states that expulsion is based on allegedly forwarding members’ dues to the Polish and Slavic Center without requesting a financial report; however, Wierzbowska herself voted to transfer collected dues to the Polish and Slavic Center, and so did 10 out of 11 Board members, with one member abstaining.

7. Finally, a balancing of the equities clearly favors enjoining the Special Meeting and allowing myself and the other members to respond to any complaints in accordance with PSFCU’s express Rules and Policies for dealing with these matters. Cancelling this Special Meeting and

commencing the process again in accordance with the Rules and Bylaws would cause no prejudice to Wierzbowska, but would provide me with an opportunity to be heard that is meaningful. These Rules and Bylaws are there for a reason, to afford full due process rights to Board and Supervisory members like myself and the others affected by this notice.

8. Accordingly, it is respectfully requested that Wierzbowska be enjoined from proceeding with the Special Meeting scheduled for March 11, 2012.

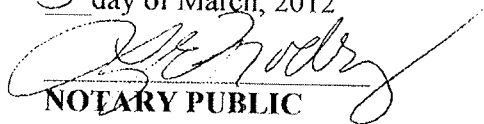
Dated: New York, New York  
March 4, 2012



TOMASZ BORTNIK

Sworn to before me this

5 day of March, 2012



NOTARY PUBLIC

LUZ E. RODRIGUEZ  
Notary Public, State of New York  
No. 01RO6135085  
Qualified in Queens County  
Commission Expires Oct. 13, 2013

**MIECZKO AFFIDAVIT**

Index No.: 5212/12

**AFFIDAVIT**

Y.

Defendant.

-X

3. Wierzbowska's scheduling and Notice of the Special Meeting is not only contrary to PSFCU's Bylaws and PSFCU's Board Governance Rules and Policies ("Rules"), but it is also designed to prevent the Supervisory Committee from performing its duties. The Supervisory Committee had just



begun an investigation of the Civic Committee Members of the PSFCU Inc., the entity that allegedly submitted the petition to hold the Special Meeting.

4. The Notice of the Special Meeting violates Article IV, Section 2 of the Bylaws because it was not provided to me at least seven days prior to the meeting. Additionally, the Bylaws require that the notice be sent or delivered by the Secretary, and this was not done here.

5. Additionally, the Notice of the Special Meeting is defective in that it identifies the grounds for my expulsion so generally as to be meaningless and clearly deprives me and the other members of their due process rights. Wierzbowska has called the Special Meeting to expel me, a member of the Board of Directors, both from the Board and the PSFCU; however, the Notice prevents me from understanding precisely what I have been charged with and as a result, I have not been afforded the opportunity to properly defend myself.

6. Just by way of example, the Notice attempts to expel me and three other Board members without explaining how we, as opposed to other Board members, have responsibility for the four items mentioned. The Notice also refers to "awarding monies to Krystyna Myssura for her own benefit." There is no explanation of what monies are being referred to, when this was done or what alleged circumstances caused the monies to be "awarded." I am left to guess the meaning of this charge, which denies me due process.

7. Equally perplexing is the reference to the termination of PSFCU's prior Chief Executive Officer ("CEO"). The Board of Directors indeed terminated the CEO in 2010. There is no explanation as to how in 2012 this is a cause for my expulsion from the Board and from the PSFCU, what if anything was wrong with the termination and why certain Board members should be expelled by this Board action. The Rules specify a procedure for disciplining any Board member, which involves

multiple steps and is designed to afford due process to the Board member facing discipline. Wierzbowska has simply ignored this process.

8. Moreover, the Notice states that expulsion is based on allegedly forwarding members' dues to the Polish and Slavic Center without requesting a financial report; however, Wierzbowska herself voted to transfer collected dues to the Polish and Slavic Center, and so did 10 out of 11 Board members, with one member abstaining.

9. If the meeting were to go forward on March 11, 2012, the Supervisory Committee would not be able to carry out its federally mandated responsibilities to ensure that Wierzbowska adhere to the Bylaws and Rules, especially for a matter as serious as expulsion from the Board, the Supervisory Committee and the PSFCU. In addition, I and my fellow members would be irreparably harmed.

10. Finally, a balancing of the equities clearly favors enjoining the Special Meeting and allowing myself and the other members to respond to any complaints in accordance with PSFCU's express Rules and Policies for dealing with these matters. Cancelling this Special Meeting and commencing the process again in accordance with the Rules and Bylaws would cause no prejudice to Wierzbowska, but would provide me with an opportunity to be heard that is meaningful. These Rules and Bylaws are there for a reason, to afford full due process rights to Board and Supervisory members like myself and the others affected by this notice.

11. Accordingly, it is respectfully requested that Wierzbowska be enjoined from proceeding with the Special Meeting scheduled for March 11, 2012.

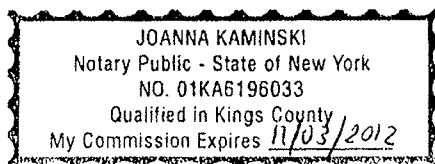
Dated: New York, New York  
March 4, 2012

  
**WOJCIECH MIECZKO**

  
**NOTARY PUBLIC**

Sworn to before me this

5<sup>th</sup> day of March, 2012



**MYSSURA AFFIDAVIT**

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

Index No.: 52 12/12

-----X  
THE SUPERVISORY COMMITTEE OF THE  
POLISH & SLAVIC FEDERAL CREDIT UNION,  
WOJCIECH MIECZKO, IRENA MARCHAJ,  
TOMASZ BORTNIK, ANDREW KAMINSKI,  
and KRYSTYNA MYSSURA,

**AFFIDAVIT**

Plaintiff,

v.

MARZENA WIERZBOWSKA, as Chair of the Board of  
Directors of the Polish & Slavic Federal Credit Union,

Defendant.

-----X  
STATE OF NEW YORK )  
                                  ) s.s.  
COUNTY OF NEW YORK)

**KRYSTYNA MYSSURA** being duly sworn, deposes and says:

1. I am a member of the Polish & Slavic Federal Credit Union ("PSFCU") and a plaintiff in the above-referenced action. I have served on the Board of Directors of the PSFCU from 2003 until October 2011. As such, I am fully familiar with and have personal knowledge of the facts and circumstances set forth herein.

2. Defendant Marzena Wierzbowska ("Wierzbowska"), the current Chair, has noticed a special meeting ("Special Meeting") of the members of the PSFCU presently scheduled for March 11, 2012. The Special Meeting has been noticed in order to expel me and other members of the PSFCU.

3. Wierzbowska's scheduling and Notice of the Special Meeting is not only contrary to PSFCU's Bylaws and PSFCU's Board Governance Rules and Policies ("Rules"), but it is also designed to prevent the Supervisory Committee from performing its duties. The Supervisory Committee had just

begun an investigation of the Civic Committee Members of the PSFCU Inc., the entity that allegedly submitted the petition to hold the Special Meeting.

4. I received the Notice on March 3, 2012. (A copy of the Notice that I and the other plaintiffs except for Kaminski received is attached hereto as Exhibit A.) The Notice violates the letter and spirit of the requirements of Article IV, Section 2 of the Bylaws. Initially, it was not delivered by the Secretary, as required by the Bylaws. Second, the Notice states that a copy of the petition calling for the Special Meeting is enclosed. However, no such petition is enclosed and therefore it is impossible to tell whether the Special Meeting purportedly called for in the petition actually cites the grounds set forth in the Notice.

5. I suspect the petition was not included because it is the same petition that was allegedly signed by members in 2010, but was found by the independent Election Services Corporation to lack the required number of signatures for a special meeting. If the Special Meeting is based upon this same defective petition, it clearly should not go forward.

6. It is notable that the Notice is from Wierzbowska, but she has neither signed the Notice, nor is it even on PSFCU stationary.

7. Additionally, the Notice is defective because it identifies the grounds for my expulsion so generally as to be meaningless and clearly deprives me and the other members of their due process rights. Wierzbowska has called the Special Meeting seeking the draconian relief of expelling me from the PSFCU; however, the Notice prevents me from understanding precisely what I have been charged with and as a result, I have not been afforded the opportunity to properly defend myself.

8. Just by way of example, the Notice attempts to expel me and the other members without explaining how we, as opposed to other Board members, have responsibility for the four items mentioned. The Notice also refers to "awarding" monies to me for my own benefit. There is no

explanation of what monies are being referred to, when this was done or what alleged circumstances caused the monies to be "awarded." I am left to guess the meaning of this charge, which denies me due process.

9. Equally perplexing is the reference to the termination of PSFCU's prior Chief Executive Officer ("CEO"). The Board of Directors indeed terminated the CEO in 2010. There is no explanation as to how in 2012 this is a cause for my expulsion from the PSFCU, what if anything was wrong with the termination and why certain members should be expelled by this Board action.

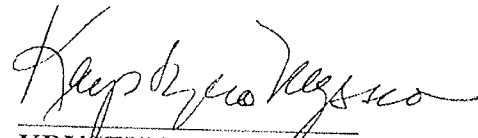
10. Moreover, the Notice states another alleged ground for expulsion based on allegedly forwarding members' dues to the Polish and Slavic Center without requesting a financial report. However, Wierzbowska herself voted to transfer collected dues to the Polish and Slavic Center, and so did 10 out of 11 Board members, with one member abstaining.

11. If the meeting were to go forward on March 11, 2012, the Supervisory Committee would not be able to carry out its federally mandated responsibilities to ensure that Wierzbowska adhere to the Bylaws and Rules, especially for a matter as serious as expulsion from the PSFCU. In addition, I and my fellow members would be irreparably harmed.

12. Finally, a balancing of the equities clearly favors enjoining the Special Meeting and allowing me and the other members to respond to any complaints in accordance with PSFCU's express Rules and Policies for dealing with these matters. Cancelling this Special Meeting and commencing the process again in accordance with the Rules and Bylaws would cause no prejudice to Wierzbowska, but would provide me with an opportunity to be heard that is meaningful. These Rules and Bylaws are there for a reason, to afford full due process rights to members like myself and the others affected by this Notice.

13. Accordingly, it is respectfully requested that Wierzbowska be enjoined from proceeding with the Special Meeting scheduled for March 11, 2012.

Dated: New York, New York  
March 4, 2012

  
KRISTYNA MYSSURA

Sworn to before me this

5<sup>th</sup> day of March, 2012

  
NOTARY PUBLIC

EILEEN MANNING  
Notary Public, State of New York  
No. 01MA6027284  
Qualified in QUEENS County  
Commission Expires June 28, 20 15



Dear Mrs.Krystyna Myssura

A "Petition for Special Meeting" has been received by me, a copy of the Petition is attached together with cover letter dated February 15, 2012 from the Civic Committee of Members of PSFCU, Inc. Please be advised that as requested, a Special Meeting will be held on March 11, 2012 at at 2pm at Polish National Home at 261 Driggs Ave, Brooklyn NY 11222 to vote on your expulsion from membership from the Credit Union for the following reasons: (i) awarding monies to Krystyna Myssura for her own financial benefit; (ii) forwarding members' dues to the Polish and Slavic Center without requesting financial report; (iii) replacing highly qualified supervisory members with lesser qualified Andrew Kaminski and Jacek Bakowski; and iv) terminating of CEO, Mr. Bogdan Chmielewski; at which time you will be afforded a be given a full and fair opportunity to be heard.

Marzena Wierzbowska\_\_\_\_  
Marzena Wierzbowska  
Chairman, Board of Directors  
Polish & Slavic Federal Credit Union  
100 McGuinness Blvd.  
Brooklyn, NY 11222

March 2, 2012

**Exhibit 1**

**MARCHAJ AFFIDAVIT**

Index No.: 5212/12

**AFFIDAVIT**

v.

Defendant.

**IRENA MARCHAJ** being duly sworn, deposes and says:

3. Wierzbowska's scheduling and Notice of the Special Meeting is not only contrary to PSFCU's Bylaws and PSFCU's Board Governance Rules and Policies ("Rules"), but it is also designed to prevent the Supervisory Committee from performing its duties. The Supervisory Committee had just

begun an investigation of the Civic Committee Members of the PSFCU Inc., the entity that allegedly submitted the petition to hold the Special Meeting.

4. I received the Notice on March 3, 2012. The Notice violates the letter and spirit of the requirements of Article IV, Section 2 of the Bylaws. Initially, it was not delivered by the Secretary, as required by the Bylaws. Second, the Notice states that a copy of the petition calling for the Special Meeting is enclosed. However, no such petition is enclosed and therefore it is impossible to tell whether the Special Meeting purportedly called for in the petition actually cites the grounds set forth in the Notice.

5. I suspect the petition was not included because it is the same petition that was allegedly signed by members in 2010, but was found by the independent Election Services Corporation to lack the required number of signatures for a special meeting. If the Special Meeting is based upon this same defective petition, it clearly should not go forward.

6. It is notable that the Notice is from Wierzbowska, but she has neither signed the Notice, nor is it even on PSFCU stationery.

7. Additionally, the Notice is defective because it identifies the grounds for my expulsion so generally as to be meaningless and clearly deprives me and the other members of their due process rights. Wierzbowska has called the Special Meeting seeking the draconian relief of expelling me from the PSFCU; however, the Notice prevents me from understanding precisely what I have been charged with and as a result, I have not been afforded the opportunity to properly defend myself.

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circumstances caused the monies to be "awarded." I am left to guess the meaning of this charge, which denies me due process.

9. Equally perplexing is the reference to the termination of PSFCU's prior Chief Executive Officer ("CEO"). The Board of Directors indeed terminated the CEO in 2010. There is no explanation as to how in 2012 this is a cause for my expulsion from the PSFCU, what if anything was wrong with the termination and why certain members should be expelled by this Board action.

10. Moreover, the Notice states another alleged ground for expulsion based on allegedly forwarding members' dues to the Polish and Slavic Center without requesting a financial report. However, Wierzbowska herself voted to transfer collected dues to the Polish and Slavic Center, and so did 10 out of 11 Board members, with one member abstaining.

11. If the meeting were to go forward on March 11, 2012, the Supervisory Committee would not be able to carry out its federally mandated responsibilities to ensure that Wierzbowska adhere to the Bylaws and Rules, especially for a matter as serious as expulsion from the PSFCU. In addition, I and my fellow members would be irreparably harmed.

12. Finally, a balancing of the equities clearly favors enjoining the Special Meeting and allowing me and the other members to respond to any complaints in accordance with PSFCU's express Rules and Policies for dealing with these matters. Cancelling this Special Meeting and commencing the process again in accordance with the Rules and Bylaws would cause no prejudice to Wierzbowska, but would provide me with an opportunity to be heard that is meaningful. These Rules and Bylaws are there for a reason, to afford full due process rights to members like myself and the others affected by this Notice.

13. Accordingly, it is respectfully requested that Wierzbowska be enjoined from proceeding with the Special Meeting scheduled for March 11, 2012.

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

Index No.:

-----X  
THE SUPERVISORY COMMITTEE OF THE  
POLISH & SLAVIC FEDERAL CREDIT UNION,  
WOJCIECH MIECZKO, IRENA MARCHAJ,  
TOMASZ BORTNIK, ANDREW KAMINSKI,  
and KRYSTYNA MYSSURA,

**AFFIRMATION OF  
GOOD FAITH**

Plaintiffs,

v.

MARZENA WIERZBOWSKA, as Chair of the Board of  
Directors of the Polish & Slavic Federal Credit Union,

Defendant.

-----X  
**JOHN W. HANSON**, an attorney duly licensed to practice law before the Courts of the  
State of New York, affirms the truth of the following under the penalties of perjury, pursuant to  
the Civil Practice Law and Rules ("CPLR"):

1. I am an associate of Hitchcock & Cummings, LLP, attorneys for plaintiffs The  
Supervisory Committee of the Polish & Slavic Federal Credit Union ("Supervisory Committee"),  
Wojciech Mieczko ("Mieczko"), Irena Marchaj ("Marchaj"), Tomasz Bortnik ("Bortnik"),  
Andrew Kaminski ("Kaminski") and Krystyna Myssura ("Myssura") (collectively "Plaintiffs") in  
the above-referenced action.

2. I make this affirmation in support of Plaintiffs' application, (1) pursuant to CPLR  
§ 6301, for a preliminary injunction restraining defendant Marzena Wierzbowska  
("Wierzbowska"), as Chair of the Board of Directors of the Polish & Slavic Federal Credit  
Union, from proceeding with a Special Meeting that is currently scheduled to be held on March  
11, 2012, and (2) for such other and further relief as the Court deems just, equitable and proper.

KINGS COUNTY CLERK  
FEE PD \$ 45.00

*[Signature]*

IAS Part 72  
At the ~~Ex Parte Motion Term~~ of the  
Supreme Court of the State of New  
York, held in and for the County of  
Kings, at the Courthouse located at  
360 Adams Street, Brooklyn, New  
York, 11201, on the 6<sup>th</sup> day of  
March 2012.

*[Handwritten initials]*

Present: HON. ARTHUR M. SCHACHT  
Hon. Arthur M. Schacht  
JSC

RO  
(P)

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

Index No.: 5212/12

-----X  
THE SUPERVISORY COMMITTEE OF THE  
POLISH & SLAVIC FEDERAL CREDIT UNION,  
WOJCIECH MIECZKO, IRENA MARCHAJ,  
TOMASZ BORTNIK, ANDREW KAMINSKI,  
and KRYSTYNA MYSSURA,

**ORDER TO SHOW  
CAUSE WITH T.R.O.  
IN CIVIL ACTION**

Plaintiffs,

v.

MARZENA WIERZBOWSKA, as Chair of the Board of  
Directors of the Polish & Slavic Federal Credit Union,

Defendant.  
-----X

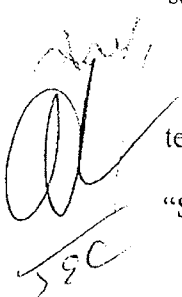
Upon reading and filing the affirmation of Andrew Kaminski sworn to on March 5, 2012,  
and upon all exhibits attached thereto, as well as upon the affidavits of Wojciech Mieczko, Irena  
Marchaj, Tomasz Bortnik and Krystyna Myssura and the exhibit attached thereto, and the good  
faith affirmation of John W. Hanson dated March 6, 2012;

Let defendant, Marzena Wierzbowska ("Wierzbowska"), as Chair of the Board of  
Directors of the Polish & Slavic Federal Credit Union, show cause at IAS Part 29, Room  
538 of this Court, to be held at the Courthouse located at 360 Adams Street, Brooklyn, New  
York, 11201, to be held on 15<sup>th</sup> day of March, 2012, at 9:30 o'clock in the forenoon  
of that day or as soon thereafter as counsel may be heard, why an order should not be entered,

*[Handwritten initials]*



immediately granting the request of Plaintiffs The Supervisory Committee of the Polish & Slavic Federal Credit Union, Wojciech Mieczko, Irena Marchaj, Tomasz Bortnik, Andrew Kaminski, and Krystyna Myssura (collectively "Plaintiffs") (1) pursuant to CPLR 6301 and 6311, preliminarily enjoining Wierzbowska from proceeding with a Special Meeting that is currently scheduled to take place on March 11, 2012, and in advance of such Order, pursuant to CPLR 6301, and 6313, immediately and temporarily restraining Wierzbowska from proceeding with said Special Meeting and (2) for such other and further relief as the Court deems just and proper.

 **ORDERED** that pending the hearing of this motion, Wierzbowska is immediately and temporarily restrained from holding the Special Meeting on March 11, 2012, or any other "Special Meetings" pending the outcome of this application.

Sufficient cause appearing therefor, LET service of a copy of this order and the papers upon which it is granted, upon defendant Wierzbowska, on or before the 9<sup>th</sup> day of March, 2012, by personal service be deemed good and sufficient. ~~Pursuant to CPLR 2214(b) Wierzbowska is to provide any opposition papers to Plaintiffs on or before the \_\_\_\_\_ day of March 2012.~~ An affidavit or other proof of service shall be presented to the Court on the return date directed in the second paragraph of this order.

ENTER:



J.S.C.

**HON. ARTHUR M. SCHACK**