

September 30, 2022



**IMPORTANT UPDATES TO YOUR ACCOUNT AGREEMENT
PLEASE READ CAREFULLY
EFFECTIVE OCTOBER 1, 2022**

Washington State Employees Credit Union is implementing changes and additions to the Consumer and Business Account Agreements. The new provisions and some context for them are set out below.

We strive to provide outstanding service to our members, but concerns or disputes about your account and our services may come up from time to time. These changes to the agreements adopt a new process for resolving those matters in an efficient and cost-effective way. The credit union is adopting this new process as part of its ongoing focus on member service and to protect the credit union and its members from potentially unnecessary, expensive and time-consuming lawsuits.

The new dispute resolution process is explained in detail in Section 36 of the Consumer Account Agreement. The first step in the new process requires you to notify the credit union of concerns or issues with your account and to engage in an informal process to address them. If that process does not resolve the concern or issues, the matter will be decided using individual binding arbitration instead of court-based lawsuits. No class actions or other kinds of representative lawsuits are allowed and both you and the credit union are giving up your rights to have those disputes be heard by a jury.

Please note that you have thirty (30) days from the date of this notice to tell us that you do not want to have the arbitration process apply to your accounts. The process for opting out of the arbitration provision is explained in Section 36(g) of the Consumer Account Agreement.

Please review these new provisions carefully as they change the terms of the account agreement which is your contract with us. You can see a complete copy of the revised agreement at www.wsecu.org or you can call us and we will send one to you.

PAGE ONE

THIS AGREEMENT CONTAINS ARBITRATION, CLASS ACTION WAIVER AND JURY TRIAL WAIVER PROVISIONS.

BY OPENING OR CONTINUING TO USE YOUR ACCOUNTS, YOU ARE KNOWINGLY AND VOLUNTARILY ACCEPTING AND AGREEING TO THESE PROVISIONS.

ARBITRATION: DISPUTES ABOUT YOUR ACCOUNTS UNDER THIS AGREEMENT WILL BE RESOLVED THROUGH BINDING INDIVIDUAL ARBITRATION.

WAIVERS: YOU AGREE TO WAIVE YOUR RIGHT TO PARTICIPATE IN COURT ACTIONS OR ARBITRATION PROCEEDINGS AGAINST THE CREDIT UNION THAT ARE CLASS ACTIONS, REPRESENTATIVE ACTIONS, OR PRIVATE ATTORNEY GENERAL ACTIONS. YOU ALSO WAIVE THE RIGHT TO A JURY TRIAL.

THE ARBITRATION AND WAIVER PROVISIONS ARE IN SECTION 36 BELOW. THEY AFFECT YOUR RIGHTS. YOU SHOULD READ THEM CAREFULLY.

ARBITRATION OPT OUT: YOU HAVE THE OPTION TO TELL US THAT YOU DO NOT WANT THE ARBITRATION PROVISIONS TO APPLY TO YOUR ACCOUNTS. TO DO SO, YOU MUST MEET THE "OPT OUT DEADLINE" AND FOLLOW THE REQUIRED PROCESS THAT IS EXPLAINED IN SECTION 36(g) BELOW.

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**SECTION 34 AND SECTION 35 OF THE CONSUMER ACCOUNT AGREEMENT HAVE BEEN REVISED.
SECTION 36 ADDRESSES THE NEW DISPUTE RESOLUTION PROCESS.**

Section 34. Enforcement.

You agree to be liable to the Credit Union for any liability, loss or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss or expense from your account without prior notice to you. If you are in breach of this Agreement, or any other loan or service agreement with the Credit Union, or we suspect fraudulent activity on your account, the Credit Union may, without prior notice, restrict access to your accounts or suspend your electronic services or access devices, including ATM or debit cards, and online banking or mobile deposit services. In the event either party brings legal action (including an arbitration proceeding) to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings and any post-judgment collection actions.

Section 35. Governing Law.

This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the State of Washington, and local clearinghouse rules, as amended from time to time. Any disputes or claims arising out of or relating to this Agreement shall be subject to the arbitration and dispute resolution provisions in Section 36 below. Venue for any court action regarding such claims or disputes shall be in state or federal courts encompassing Thurston County, Washington. You agree that those courts have personal jurisdiction over you in connection with such disputes.

Section 36

CLASS ACTION WAIVER, WAIVER OF JURY TRIAL RIGHT, INFORMAL DISPUTE RESOLUTION, AND BINDING ARBITRATION OF DISPUTES

A. CLASS ACTION WAIVERS. You agree that you are knowingly, voluntarily, intelligently, and intentionally waiving your right to act as a class representative, class member, or other party in any arbitration or court proceeding filed against the Credit Union that is styled, commenced, or maintained as a class action, representative action, private attorney general action, or any other type of representative proceeding. Your agreement to waive these class action rights is a material term of and inducement for the Credit Union to enter into this Agreement and to open or continue to maintain your accounts.

i. ARBITRATION. ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE SOLELY BETWEEN YOU AND THE CREDIT UNION. Class arbitration, collective proceedings, private attorney general, or other representative proceedings shall not be permitted in any arbitration proceeding under this Agreement. You agree that no arbitration provider service or arbitrator has authority to join, consolidate, or administer your arbitration jointly with any other arbitration brought by another person, whether individually or purportedly on behalf of themselves and others, unless the Credit Union, in its sole discretion, requests such joinder, consolidation or joint administration.

ii. COURT ACTIONS. YOU AGREE THAT YOU SHALL NOT COMMENCE, FILE, PARTICIPATE IN, OR SEEK ANY RELIEF OR RECOVERY IN ANY COURT ACTION AGAINST THE CREDIT UNION THAT IS A CLASS ACTION, COLLECTIVE ACTION, OR PRIVATE ATTORNEY GENERAL LAWSUIT OR OTHER TYPE OF REPRESENTATIVE PROCEEDING.

B. JURY TRIAL WAIVER. YOU AND THE CREDIT UNION HEREBY MUTUALLY, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY COURT ACTION REGARDING ANY AND ALL DISPUTES, CONTROVERSIES AND CLAIMS BY, BETWEEN OR AGAINST EITHER YOU OR THE CREDIT UNION.

C. INFORMAL DISPUTE RESOLUTION PROCESS REQUIRED. You agree that you will not initiate or attempt to initiate an arbitration or any lawsuit against the Credit Union regarding disputes arising under or relating to your Accounts until you have completed **both** of the following steps:

- (1) you provide to the Credit Union a written explanation of the facts supporting your individual claim and of the specific relief that you are requesting, with supporting documentation for your claim and any damages you seek to recover; **and**
- (2) you personally participate in and complete a settlement conference with a representative of the Credit Union in a good faith effort to resolve your claim.

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Your written explanation and documentation of your claim shall be sent to the Credit Union via postal mail to **WSECU ATTN: Compliance Committee, P.O. Box WSECU, Olympia, WA 98507**. The settlement conference shall occur in person or by telephonic or video conference, at your option, at a mutually convenient time during the Credit Union's regular business hours not sooner than 10 business days after and not later than 20 business days after the Credit Union actually receives your written explanation of your claim. If the Credit Union, in its sole discretion, decides it is necessary to take additional time to investigate the facts regarding your claim, it may adjourn the settlement conference for a reasonable period, with the conference to resume not later than 15 business days after it was adjourned.

You agree that until and unless you have completed the above required informal dispute resolution process, no arbitration service provider and no arbitrator shall have jurisdiction or authority to do any of the following: (1) accept from you any statement of claim, filing fee or other document intended to initiate or commence an arbitration, (2) require you or the Credit Union to pay any filing fees, administration charges, deposits, or other amounts charged for commencing, conducting, or administering an arbitration on your claim, (3) commence, conduct, administer, enter any scheduling orders, grant any relief or enter any interim or final award in arbitration on your claim.

D. BINDING ARBITRATION. Unless resolved informally as required in Section 36(c) above, all disputes or claims arising out of or relating to your accounts covered under this Agreement including, without limitation, disputes regarding your use of the Credit Union's products and services offered in the accounts covered under this Agreement or the relationships that arise from this Agreement, whether based in contract, tort, statutory or regulatory provisions, state law, federal law, foreign law, common law, equity, or otherwise **shall be resolved by binding individual arbitration as provided below.**

NOTE RE: CREDIT UNION RELATED PARTIES. If you assert claims against the Credit Union's officers, directors, employees, or representatives, they are entitled to require binding individual arbitration of such claims under this provision.

E. LIMITED EXCEPTIONS TO ARBITRATION. You and the Credit Union will not be required to arbitrate 1) actions in a small claims court brought solely by you seeking relief or remedies solely on your own behalf concerning any disputes, claims or controversies within that small claims court's jurisdiction, 2) actions seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction, 3) mortgage foreclosures, whether judicial or non-judicial, 4) eviction proceedings, 5) actions for recovery of tangible property, e.g., actions for replevin, 6) wage and other garnishments, 7) actions or proceedings to discover assets, 8) criminal allegations, complaints and proceedings, 9) a claim or controversy arising from the agreements you signed in entering into a consumer credit transaction secured by a dwelling, including a home equity line of credit secured by your principal dwelling, where the application for such transaction was received by the Credit Union on or after June 1, 2013; and 10) disputes involving the extension of consumer credit to covered members of the armed forces as provided in 10 U.S.C. § 987(e)(4) or subsequently amended versions of that statute.

F. ARBITRATION PROCEDURES. The arbitration will be conducted under the AAA Consumer Arbitration Rules – a supplement to the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association (AAA) as in effect at the time the claim is made (the "AAA Consumer Rules"), except as modified by this Agreement. This arbitration provision shall be interpreted and enforced in accordance with the Federal Arbitration Act in Title 9 of the US Code.

i. The arbitration filing fees, administrative fees and compensation of the arbitrator shall be paid as provided under the AAA Consumer Rules, including being subject to reallocation by the arbitrator if the arbitrator decides a claim or counterclaim was filed for purposes of harassment or was frivolous. The parties shall each be responsible for their respective costs and attorneys' fees incurred by them while preparing and presenting their cases or otherwise in connection with the arbitration proceedings. The arbitrator shall award the prevailing party his, her or its reasonable attorney fees and costs to be paid by the non-prevailing party.

ii. Arbitration hearings will be held at a location that is within 50 miles of your residence as of when the arbitration is commenced, to be designated by the arbitrator, or at another location if mutually agreed.

iii. The arbitration will be conducted before a single arbitrator appointed under the AAA Consumer Rules and who is an attorney or a retired judge. The arbitrator shall have experience and knowledge in financial transactions. Any issue concerning whether or the extent to which a dispute or claim is subject to arbitration, including but not limited to issues relating to the validity or enforceability of these arbitration provisions, shall be determined by the arbitrator.

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iv. All statutes of limitations or other defenses relating to the timeliness of the assertion of a dispute or claim that otherwise would be applicable to an action brought in a court of law shall be applicable in any arbitration under this Agreement, and the commencement of an arbitration under this Agreement shall be deemed the commencement of an action for such purposes. The arbitrator shall apply the terms of this Agreement and the substantive law governing it to decide the dispute.

v. Any relief available in an individual action (not a class action) in a court of law applying the substantive law of the state of Washington can be awarded by the arbitrator. Judgment upon the award rendered in arbitration shall be final and may be entered in any court, state or federal, having jurisdiction.

vi. If binding arbitration is determined to be prohibited by law, the exclusive forum for any court action arising out of or relating to your accounts covered under this Agreement including, without limitation, disputes regarding your use of the Credit Union's products and services offered in the accounts covered under this Agreement or the relationships that arise from this Agreement, shall be a state or federal court in Thurston County, Washington.

vii. This Agreement does not preclude you from informing any federal, state or local agency or entity of your dispute with the Credit Union. Such agency or entity may be able to seek relief on your behalf.

G. EXCLUDING YOUR ACCOUNTS FROM ARBITRATION. YOU MAY EXCLUDE (OR "OPT OUT") YOUR ACCOUNTS FROM THE BINDING ARBITRATION REQUIREMENTS OF THIS AGREEMENT. TO DO SO, YOU MUST STRICTLY COMPLY WITH THE PROCESS BELOW.

i. Deadline. To opt out, you must send a written notice to the Credit Union by not later than thirty (30) days AFTER the following applicable date (the "Opt Out Deadline"): (1) for existing accounts, the date on which the Credit Union sends you notice of the amendments that include the arbitration provisions; (2) for new accounts, the date on which the new account is opened.

ii. Method of Delivery. Opt out notices regarding the arbitration requirements must be in writing and may not be delivered telephonically or via email, text message or through online banking. The opt-out notice must be signed by all signatories on the accounts. If sent via postal mail, the opt out notice must be postmarked on or before the Opt Out Deadline. If sent by any other delivery method, the opt out notice must be received by the Credit Union on or before the Opt Out Deadline. Opt out notices must be sent to the Credit Union at WSECU ATTN: Deposit Operations P.O. Box WSECU, Olympia, WA 98507.

iii. No Other Provisions Affected. Opting out of the arbitration requirements will not terminate this Agreement, including, without limitation, the Class Action Waiver and the Jury Trial Waiver provided for above, nor will opting out of the arbitration requirements affect any other rights and obligations you or the Credit Union have under the terms of this Agreement.