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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO, HALL OF JUSTICE

ELAINE WARD-HOWIE, on behalf of herself
and all others similarly situated,

Plaintiff,

vs.

FRONTWAVE CREDIT UNION,

Defendant.

Case No. 37-2022-00016328-CU-BC-CTL
**FIRST
AMENDED CLASS ACTION
COMPLAINT**

Plaintiff Elaine Ward-Howie (“Plaintiff”), on behalf of herself and all persons similarly situated, alleges the following based on personal knowledge as to allegations regarding Plaintiff and on information and belief as to other allegations:

INTRODUCTION

1. Plaintiffs bring this action on behalf of themselves, the general public, and classes of all similarly situated accountholders against Defendant, Frontwave Credit Union (“FCU”), arising from its routine practice of (a) assessing overdraft fees (“OD Fees”) on APPSN Transactions (described below) that did not actually overdraw the account, and (b) assessing two or more fees (“Multiple Fees”), including non-sufficient funds fees (“NSF Fees”) and OD Fees on a single item.

2. FCU misleadingly and deceptively misrepresents the above practice in its publicly available marketing materials, including its own account contracts. FCU also omits material facts pertaining to each of the above practices in its publicly-available marketing materials, including its account contracts.

3. In sum, FCU's accountholders have been injured by FCU's improper practices to the tune of millions of dollars bilked from their accounts in clear violation of their agreements with FCU.

PARTIES

4. Plaintiff is a citizen and resident of Schertz, Texas and an FCU checking accountholder.

5. FCU is a state-chartered credit union with its headquarters and principal place of business located in Oceanside, California. Among other things, FCU is engaged in the business of providing retail banking services to consumers, including Plaintiff and members of the putative classes, which includes the issuance of debit cards for use by its customers in conjunction with their checking accounts. FCU operates banking centers, and thus conducts business, throughout California, including in this district.

JURISDICTION AND VENUE

6. This Court has jurisdiction over this matter because the amount in controversy exceeds \$25,000

7. Venue is proper in this District pursuant to CCP § 395(a).

8. FCU regularly and systematically provides retail banking services throughout the State of California, including in this county, and provides retail banking services to its customers, including members of the putative Class. As such, it is subject to the personal jurisdiction of this Court.

FACTUAL BACKGROUND AND GENERAL ALLEGATIONS

I. FCU CHARGES OD FEES ON APPSN TRANSACTIONS

A. Overview of Claim

9. Plaintiff has a checking account with FCU.

10. FCU issues debit cards to its checking account customers, including Plaintiff, which

1 allows its customers to have electronic access to their checking accounts for purchases, payments,
2 withdrawals, and other electronic debit transactions.

3 11. Pursuant to its Account Agreement (defined below), FCU charges fees for debit card
4 transactions that purportedly result in an overdraft.

5 12. Plaintiff FCU brings this cause of action challenging FCU's practice of charging OD
6 Fees on what are referred to in this complaint as "Authorize Positive, Purportedly Settle Negative
7 Transactions" ("APPSN Transactions").

8 13. Here's how it works: at the moment debit card transactions are authorized on an
9 account with positive funds to cover the transaction, FCU immediately reduces accountholders'
10 checking accounts for the amount of the purchase, sets aside funds in a checking account to cover
11 that transaction, and as a result, the accountholder's "available balance" reflects that subtracted
12 amount. Therefore, customers' accounts will always have sufficient available funds to cover these
13 transactions because FCU has already held these funds for payment.

14 14. However, FCU still assesses crippling OD Fees on many of these transactions and
15 misrepresents its practices in its Account Agreement.

16 15. Despite putting aside sufficient available funds for debit card transactions at the time
17 those transactions are authorized, FCU later assesses OD Fees on those same transactions when they
18 purportedly settle days later into a negative balance. These types of transactions are APPSN
19 Transactions.

20 16. FCU maintains a running account balance in real time, tracking funds accountholders
21 have for immediate use. This running account balance is adjusted, in real-time, to account for debit
22 card transactions at the precise instance they are made. When a customer makes a purchase with a
23 debit card, FCU holds the funds needed to pay the transaction, subtracting the dollar amount of the
24 transaction from the customer's available balance. Such funds are not available for any other use by
25 the accountholder, and such funds are specifically associated with a given debit card transaction.

26 17. That means when any subsequent, intervening transactions are initiated on a checking
27 account, they are compared against an account balance that has already been reduced to account for
28 any earlier debit card transactions. This means that many subsequent transactions incur OD Fees due

1 to the unavailability of the funds held for those debit card transactions.

2 18. Still, despite keeping those held funds off-limits for other transactions, FCU
3 improperly charges OD Fees on those APPSN Transactions, even though the APPSN Transactions
4 always have sufficient available funds to be covered.

5 19. Indeed, the Consumer Financial Protection Bureau (“CFPB”) has expressed concern
6 with this very issue, flatly calling the practice “unfair” and/or “deceptive” when:

7
8 A financial institution authorized an electronic transaction, which reduced a
9 customer’s available balance but did not result in an overdraft at the time of
10 authorization; settlement of a subsequent unrelated transaction that further lowered the
11 customer’s available balance and pushed the account into overdraft status; and when
12 the original electronic transaction was later presented for settlement, because of the
13 intervening transaction and overdraft fee, the electronic transaction also posted as an
14 overdraft and an additional overdraft fee was charged. Because such fees caused harm
15 to consumers, one or more supervised entities were found to have acted unfairly when
16 they charged fees in the manner described above. Consumers likely had no reason to
17 anticipate this practice, which was not appropriately disclosed. They therefore could
18 not reasonably avoid incurring the overdraft fees charged. Consistent with the
19 deception findings summarized above, examiners found that the failure to properly
20 disclose the practice of charging overdraft fees in these circumstances was deceptive.
21 At one or more institutions, examiners found deceptive practices relating to the
22 disclosure of overdraft processing logic for electronic transactions. Examiners noted
23 that these disclosures created a misimpression that the institutions would not charge
24 an overdraft fee with respect to an electronic transaction if the authorization of the
transaction did not push the customer’s available balance into overdraft status. But the
institutions assessed overdraft fees for electronic transactions in a manner inconsistent
with the overall net impression created by the disclosures. Examiners therefore
concluded that the disclosures were misleading or likely to mislead, and because such
misimpressions could be material to a reasonable consumer’s decision-making and
actions, examiners found the practice to be deceptive. Furthermore, because
consumers were substantially injured or likely to be so injured by overdraft fees
assessed contrary to the overall net impression created by the disclosures (in a manner
not outweighed by countervailing benefits to consumers or competition), and because
consumers could not reasonably avoid the fees (given the misimpressions created by
the disclosures), the practice of assessing fees under these circumstances was found to
be unfair.

25 Consumer Financial Protection Bureau, Winter 2015 “Supervisory Highlights.”

26 20. There is no justification for these practices, other than to maximize FCU’s OD Fee
27 revenue. APPSN Transactions only exist because intervening checking account transactions
28 supposedly reduce an account balance. But FCU is free to protect its interests and either reject those

1 intervening transactions or charge OD Fees on those intervening transactions—and it does the latter
2 to the tune of millions of dollars each year. But FCU was not content with these millions in OD Fees.
3 Instead, it sought millions more in OD Fees on these APPSN Transactions.

4 21. Besides being unfair and unjust, these practices breach contract promises made in
5 FCU’s adhesion contracts—contracts which fail to inform accountholders about the true nature of
6 FCU’s processes and practices.

7 22. In plain, clear, and simple language, the checking account contract documents
8 covering OD Fees promise that FCU will only charge OD Fees on transactions that have insufficient
9 funds to cover that debit card transaction.

10 23. In short, FCU is not authorized by contract to charge OD Fees on transactions that
11 have not overdrawn an account, but it has done so and continues to do so.

12 **B. Mechanics of a Debit Card Transaction**

13 24. A debit card transaction occurs in two parts. First, authorization for the purchase
14 amount is instantaneously obtained by the merchant from FCU. When a merchant physically or
15 virtually “swipes” a customer’s debit card, the credit card terminal connects, via an intermediary, to
16 FCU, which verifies that the customer’s account is valid and that sufficient available funds exist to
17 cover the transaction amount.

18 25. At this step, if the transaction is approved, FCU immediately decrements the funds in
19 an accountholder’s account and holds funds in the amount of the transaction but does not yet transfer
20 the funds to the merchant.

21 26. Indeed, the entire purpose of the immediate debit and hold of positive funds is to
22 ensure that there are enough funds in the account to pay the transaction when it settles, as discussed
23 in the Federal Register notice announcing revisions to certain provisions of the Truth in Lending Act
24 regulations:

25 When a consumer uses a debit card to make a purchase, a hold may be placed on funds
26 in the consumer’s account to ensure that the consumer has sufficient funds in the
27 account when the transaction is presented for settlement. This is commonly referred
28 to as a “debit hold.” During the time the debit hold remains in place, which may be up
to three days after authorization, those funds may be unavailable for the consumer’s
use for other transactions.

1 Federal Reserve Board, Office of Thrift Supervision, and National Credit Union Administration,
2 Unfair or Deceptive Acts or Practices, 74 FR 5498-01 (Jan. 29, 2009).

3 27. Sometime thereafter, the funds are actually transferred from the customer's account to
4 the merchant's account.

5 28. FCU (like all banks and credit unions) decides whether to "pay" debit card transactions
6 at authorization. After that, FCU is obligated to pay the transaction no matter what. For debit card
7 transactions, that moment of decision can only occur at the point of sale, at the instant the transaction
8 is authorized or declined. It is at that point—and only that point—when FCU may choose to either
9 pay the transaction or decline it. When the time comes to actually settle the transaction, it is too late—
10 the financial institution has no discretion and must pay the charge. This "must pay" rule applies
11 industry wide and requires that, once a financial institution authorizes a debit card transaction, it
12 "must pay" it when the merchant later makes a demand, regardless of other account activity. See
13 Electronic Fund Transfers, 74 Fed. Reg. 59033-01, 59046 (Nov. 17, 2009).

14 29. There is no change—no impact whatsoever—to the available funds in an account when
15 this step occurs.

16 **C. FCU's Account Agreement**

17 30. Plaintiff has an FCU checking account, which is governed by FCU's Important
18 Account Information for Our Members ("Account Agreement") and FCU's Fees & Charges ("Fee
19 Schedule") attached hereto as Exhibits A & B, respectively (collectively "Account Documents").¹

20 31. The Account Agreement states in pertinent part:

21 **PAYMENT ORDER OF ITEMS** – Knowing your "available balance" is important
22 to managing your deposit/checking account. *Available balance refers to the actual*
23 *amount available in your account that is without any restrictions, holds or*
24 *uncollected/processed items.* When processing items drawn on your account, our
25 policy is to pay them in the order in which they are received. The order in which items
26 are paid is important if the available balance in your account is not enough to pay all
of the items that are presented. . . . *If an item is presented without available*
funds in your account to pay it, we may, at our discretion, pay the item (creating an

27 ¹ Plaintiff attaches a representative versions of the Account Agreement and Fee Schedule that were
28 effective during part of the relevant time period, containing the contract language on which the claims
in this Amended Complaint are based.

1 overdraft) or return the item NSF. Current Overdraft and NSF fees are disclosed in
2 our Schedule of Fees and Charges, which is available on our website or upon
3 request. By paying items in the order that we receive them, our policy maintains
4 a reasonable balance between minimizing additional cost to you and paying your
5 more important Items. *A hold on your funds or an unprocessed item, can affect the*
6 *ability for all items that are presented, to be paid. You must be cognizant of such*
7 *holds and items that have yet to be received and/or processed in order to determine*
8 *the available balance in your account.* We encourage you to keep careful records
9 and practice good account management. This will help you to avoid writing checks
10 against your account when the available balance is not enough to pay all of your
11 items, which can result in NSF/Overdraft fees.

12 Ex. A at 3 (bold in original).

13 32. FCU's Fee Schedule states:

14 Overdraft Courtesy Pay	15 \$20.00
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16 Ex. B.

17 33. Consistent with its Account Agreement, an overdraft occurs when you do not have
18 enough money in your account to cover a transaction, but FCU pays it anyway.

19 34. For debit card transactions, FCU decides whether to pay a debit card transaction at the
20 moment of authorization. FCU represents to its customers that it is one step, just like consumers using
21 debit cards believe.

22 35. For APPSN Transactions, which are immediately deducted from a positive available
23 account balance and held aside for payment of that same transaction, there are always funds to cover
24 those transactions—yet FCU assesses OD Fees on them anyway.

25 36. APPSN transactions are always initiated at the time the customer uses the debit card
26 when there are sufficient available funds in the account.

27 37. In fact, FCU actually authorizes transactions on positive funds, sets those funds aside
28 on hold, then fails to use those same funds to settle those same transactions. Instead, it uses a secret
posting process described below.

38. All the above representations and contractual promises are untrue. In fact, FCU
charges OD Fees even when sufficient funds exist to cover transactions that are authorized into a
positive balance. No express language in any document states that FCU may impose OD Fees on any
APPSN Transactions.

39. The above-quoted Account Agreement language confirms that overdrafts occur “[i]f

1 any item is presented without available funds in your account to pay it,” and that “[a] hold on your
2 funds . . . can affect the ability for all items that are presented, to be paid.” Ex. A at 3. That contract
3 language dictates that an APPSN Transaction would not be subject to an OD Fee, but that other
4 transactions could be because of the held funds set aside to pay the APPSN Transaction.

5 40. The Account Agreement misconstrues FCU’s true debit card processing and overdraft
6 practices.

7 41. First, and most fundamentally, FCU charges OD Fees on debit card transactions for
8 which there are sufficient funds available to cover the transactions. That is despite contractual
9 representations that FCU will only charge OD Fees on transactions with insufficient available funds
10 to cover a given transaction.

11 42. FCU assesses OD Fees on APPSN Transactions that do have sufficient funds available
12 to cover them throughout their lifecycle.

13 43. FCU’s practice of charging OD Fees even when sufficient available funds exist to
14 cover a transaction violates a contractual promise not to do so. This discrepancy between FCU’s
15 actual practice and the contract causes accountholders like the Plaintiff to incur more OD Fees than
16 they should.

17 44. Next, sufficient funds for APPSN Transactions are actually debited from the account
18 immediately, consistent with standard industry practice and the Account Agreement’s language.

19 45. Because these withdrawals take place upon initiation, they cannot be re-debited later.
20 But that is what FCU does when it re-debits the account during a secret posting process.

21 46. In reality, FCU’s actual practice is to assay the same debit card transaction twice to
22 determine if the transaction overdraws an account—both at the time a transaction is authorized and
23 later at the time of settlement.

24 47. At the time of settlement, however, an available balance *does not change at all* for
25 these transactions previously authorized into good funds. As such, FCU cannot then charge an OD
26 Fee on such transaction because the available balance has not been rendered insufficient due to the
27 pseudo-event of settlement.

28 48. Upon information and belief, something more is going on: at the moment a debit card

1 transaction is getting ready to settle, FCU does something new and unexpected, during the middle of
2 the night as part of its nightly batch posting process. Specifically, FCU releases the hold placed on
3 funds for the transaction for a split second, putting money back into the account, then re-debits the
4 same transaction a second time.

5 49. This secret step allows FCU to charge OD Fees on transactions that never should have
6 caused an overdraft—transactions that were authorized into sufficient funds, and for which FCU
7 specifically set aside money to pay.

8 50. This discrepancy between FCU's actual practices and the contract causes
9 accountholders to incur more OD Fees than they should.

10 51. In sum, there is a huge gap between FCU's practices as described in the Account
11 Agreement and FCU's practices in reality

12 **D. Reasonable Accountholders Understand Debit Card Transactions are Debited**
13 **Immediately**

14 52. The assessment of OD Fees on APPSN Transactions is fundamentally inconsistent
15 with the immediate withdrawal of funds for debit card transactions. That is because if funds are
16 immediately debited, they cannot be depleted by intervening transactions (and it is that subsequent
17 depletion that is the necessary condition of APPSN Transactions). If funds are immediately debited,
18 then they are necessarily applied to the debit card transactions for which they are debited.

19 53. FCU was and is aware that this is precisely how accountholders reasonably understand
20 debit card transactions to work.

21 54. FCU knows that many accountholders prefer debit cards for these very reasons.
22 Research indicates that accountholders prefer debit cards as a budgeting device because they do not
23 allow debt like credit cards do, and because the money comes directly out of a checking account.

24 55. Consumer Action, a national nonprofit consumer education and advocacy
25 organization, advises consumers determining whether they should use a debit card that "[t]here is no
26 grace period on debit card purchases the way there is on credit card purchases; the money is
27 immediately deducted from your checking account. Also, when you use a debit card you lose the one
28 or two days of 'float' time that a check usually takes to clear." What Do I Need to Know About Using

1 a Debit Card?, ConsumerAction (Jan. 14, 2019),
2 [https://www.consumeraction.org/helpdesk/articles/what_do_i_need_to_know_about_using_a_debit](https://www.consumeraction.org/helpdesk/articles/what_do_i_need_to_know_about_using_a_debit_card)
3 [_card](https://www.consumeraction.org/helpdesk/articles/what_do_i_need_to_know_about_using_a_debit_card).

4 56. Further, Consumer Action informs consumers that “Debit cards offer the convenience
5 of paying with plastic without the risk of overspending. When you use a debit card, you do not get a
6 monthly bill. You also avoid the finance charges and debt that can come with a credit card if not paid
7 off in full.” Understanding Debit Cards, ConsumerAction, [http://www.consumer-](http://www.consumer-action.org/english/articles/understanding_debit_cards)
8 [action.org/english/articles/understanding_debit_cards](http://www.consumer-action.org/english/articles/understanding_debit_cards).

9 57. This understanding is a large part of the reason that debit cards have risen in popularity.
10 The number of terminals that accept debit cards in the United States has increased by approximately
11 1.4 million from 2011 to 2016, and with that increasing ubiquity, consumers have (along with credit
12 cards) viewed debit cards "as a more convenient option than refilling their wallets with cash from an
13 ATM." Maria LaMagna, Debit Cards Gaining on Case for Smallest Purchases, MarketWatch, Mar.
14 23, 2016, [http://www.marketwatch.com/story/morepeople-are-using-debit-cards-to-buy-a-pack-of-](http://www.marketwatch.com/story/morepeople-are-using-debit-cards-to-buy-a-pack-of-gum-2016-03-23)
15 [gum-2016-03-23](http://www.marketwatch.com/story/morepeople-are-using-debit-cards-to-buy-a-pack-of-gum-2016-03-23).

16 58. Not only have accountholders increasingly transitioned from cash to debit cards, but
17 they believe that a debit card purchase is the fundamental equivalent of a cash purchase, with the
18 swipe of a card equating to handing over cash, permanently and irreversibly.

19 59. FCU was aware of accountholder perception that debit transactions reduce an available
20 balance in a specified order-namely, the moment they are actually initiated-and its account agreement
21 only supports this perception.

22 60. FCU’s awareness culminated in a major and material change to the Account
23 Agreement effective July 2022, in which it promised for the first time that OD Fees could be charged
24 on APPSN Transactions:

25 If we authorize any type of payment transaction and there is insufficient available
26 balance at the time is it is posted to (paid from) your account, then we will charge
27 you an Overdraft Fee.

28

1 We use available balance at the time transactions are presented to us to decide
2 whether to authorize them for payment. We also use available balance **at the time**
3 **transactions are posted and actually paid (not when they are authorized)** to
decide whether to charge Overdraft Fees.

4 **Signature Debit Card Transactions.** These are transactions where you make a
5 purchase with your debit card that are processed through the Visa or MasterCard
6 networks. You are typically asked to sign for these purchases like a credit card
7 purchase. As described above, a merchant may seek prior authorization for a signature
8 debit card transaction. When that happens, we generally reduce your available balance
9 (but not your actual balance) by the amount authorized. We refer to this as an
"authorization hold." Authorization holds are processed as received throughout the
10 day. At some point after you sign for the transaction, it is processed by the merchant
11 and submitted to us for posting to your account. This can happen hours or sometimes
12 days after you signed for it, depending on the merchant and its processing company.
13 These payment requests are received in real time throughout the day and are posted to
14 your account as they are received. **Please note:** the amount of an authorization hold
15 may differ from the actual payment because the final transaction amount may not yet
16 be known to the merchant when the authorization request is submitted. For example,
17 if you use your card at a restaurant, a hold will be placed in the amount of the bill
presented to you, but when the transaction posts it will include any tip that you may
have added to the bill. Conversely, a gas station, hotel or rental car company, or other
retail establishments may seek authorization in excess of the final payment amount.
We cannot control how much a merchant asks us to authorize, or when and in what
amount a merchant submits a transaction for payment. The fact that we put an
authorization hold on your available balance does not mean the authorization is set
aside and made available to pay the specific transaction authorized. The hold is simply
a reduction in your available balance based on the fact that we have authorized a
transaction and the Credit Union is therefore obligated to pay it when presented.

18 Exhibit C, at 3-5. The OD Fees on APPSN Transactions that are the subject of this action were
19 assessed by FCU before FCU changed the Account Agreement to promise for the first time that OD
20 Fees may be assessed on APPSN Transactions.

21 **E. Plaintiff's Debit Transactions**

22 61. As an example, Plaintiff was assessed at least one OD Fee for a transaction that settled
23 on October 2, 2020, despite the fact it was authorized on positive funds prior to that date. Further, at
24 that time of authorization, positive funds were deducted immediately for the debit card transactions
25 on which she was later assessed an OD Fee.

26 **II. FCU CHARGES MULTIPLE FEES ON THE SAME ITEM**

27 62. As alleged more fully herein, FCU's Account Documents during the class period
28 allowed it to charge a *single* \$29 NSF Fee when an item, including a check or ACH debit is returned

1 for insufficient funds or a *single* \$20 OD Fee when the item is paid into insufficient funds.

2 63. FCU breaches its contract when it charges more than one \$29 NSF Fee and/or \$20 OD
3 Fee on the same item, since the contract explicitly states—and reasonable consumers understand—
4 that the same item can only incur a single NSF Fee or OD Fee.

5 64. This abusive practice is not universal in the financial services industry. Indeed, major
6 banks like JP Morgan Chase—the largest consumer bank in the country—do not undertake the
7 practice of charging more than one insufficient funds fee on the same item when it is reprocessed.
8 Instead, Chase charges one NSF Fee even if an item is resubmitted for payment multiple times.²

9 65. FCU’s Account Agreement during the class period never disclosed this practice. To
10 the contrary, the Account Agreement promised FCU will only charge a single NSF Fee or OD Fee
11 per item.

12 **A. Plaintiff’s Experience**

13 66. In support of her claims, Plaintiff offers an example of a fee that should not have been
14 assessed against his checking account. As alleged below, FCU: (a) reprocessed a previously declined
15 items; and (b) charged an additional fee upon reprocessing, for a total assessment of *\$49 in fees on*
16 *the same item*.

17 67. On August 12, 2019, Plaintiff attempted a payment via ACH debit to Southern
18 California Edison from her checking account.

19 68. FCU rejected payment of that item due to insufficient funds in Plaintiff account and
20 charged her a \$29 NSF Fee for doing so. Plaintiff does not dispute this initial fee, as it is allowed by
21 FCU’s Account Agreement.

22 69. However, unbeknownst to Plaintiff, and without her request to FCU to reprocess the,
23 three days later, on August 15, 2019, FCU processed the same item again, this time paying the item
24 and charging Plaintiff a \$20 OD Fee for doing so.

25 70. Plaintiff understood the ACH debit to be a single item as is laid out in FCU’s contract,
26

27 ² As indicated by Chase’s printed disclosures, an “item” maintains its integrity even if multiple
28 processes are affected on it: “If we return the same item multiple times, we will only charge you one
Returned Item Fee for that item within a 30-day period.”

capable at most of receiving a single NSF Fee (if FCU returned them) or a single OD Fee (if FCU paid them). FCU itself also understood the item to be a single item, and its systems categorized it as such. Indeed, on Plaintiff bank statement, FCU described the subsequent attempt to debit the item as “Retry Pymt.”

B. The Imposition of Multiple Fees on a Single Item Violates FCU’s Express Promises and Representations

71. According to the Account Agreement: “If an item is presented without available funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item NSF. Current Overdraft and NSF fees are disclosed in our Schedule of Fees and Charges, which is available on our website or upon request.” Ex. A at 3.

72. According to the operative Fee Schedule, at most a *single* fee will be assessed if the item is returned or paid into overdraft:

Overdraft Courtesy Pay.....	\$20.00
Returned Item	
Nonsufficient Funds (NSF) Fee	\$29.00

Ex. B.

73. The same check or ACH debit on an account is not a new item each time it is rejected for payment then reprocessed, especially when—as here—Plaintiff took no action to resubmit the item.

74. Effective July 2022, a major and material change was made by FCU to its Account Agreement to state the following:

Note: Check and ACH payment transactions that are returned unpaid may be presented to us again by a third party merchant for payment multiple times. You may be charged a Returned Item (NSF) Fee or Overdraft Fee each time a transaction is presented for payment, even if it was previously rejected and a fee was previously charged.

Ex. C at 4. The Multiple Fees that are the subject of this action were assessed by FCU before FCU changed the Account Agreement to promise for the first time that Multiple Fees may be assessed.

75. There is zero indication anywhere in the Account Documents that the same check or

1 ACH is eligible to incur Multiple Fees.

2 76. Even if FCU reprocesses a check or ACH debit for payment, it is still the same check
3 or ACH debit. FCU's reprocessing is simply another attempt to effectuate an accountholder's original
4 order or instruction.

5 77. As alleged in the example above, Plaintiff took only a single action to make a single
6 ACH payment; she may therefore be charged only a single fee.

7 78. The disclosures described above never promise a circumstance where FCU may assess
8 multiple NSF Fees and/or OD Fees for an item that was returned for insufficient funds and later
9 reprocessed one or more times and returned again.

10 79. In sum, FCU promises that one \$29 NSF Fee or one \$20 OD Fee will be assessed per
11 check or ACH, and this must mean all iterations of the same instruction for payment. As such, FCU
12 breached the contract when it charged more than one fee per item.

13 80. Reasonable accountholders understand any given authorization for payment to be one,
14 singular item, as that term is used in FCU's Account Agreement.

15 81. Taken together, the representations and omissions identified above convey to
16 customers that all submissions for payment of the same transaction will be treated as the same "item,"
17 which FCU will either authorize (resulting in an overdraft item) or reject (resulting in a returned item)
18 when it decides there are insufficient funds in the account. Nowhere does FCU promise that it will
19 treat each reprocessing of a check or ACH payment as a separate item, subject to additional fees, nor
20 do FCU customers ever agree to such fees.

21 82. Customers reasonably understand, based on the language of the Account Documents
22 that FCU's reprocessing of checks or ACH payments are simply additional attempts to complete the
23 original order or instruction for payment, and as such, will not trigger additional NSF or OD Fees. In
24 other words, it is always the same item.

25 83. Credit unions like FCU that employ this abusive multiple fee practice know how to
26 plainly and clearly promise it. Indeed, other banks and credit unions that do engage in this abusive
27 practice disclose it expressly to their accountholders—something FCU here never did.

28 84. Other financial institutions used similar language to disclose the Multiple Fees

1 practice. For example, Klein Bank similarly states in its online banking agreement:

2 [W]e will charge you an NSF/Overdraft Fee each time: (1) a Bill Payment (electronic
3 or check) is submitted to us for payment from your Bill Payment Account when, at the
4 time of posting, your Account is overdrawn or would be overdrawn if we paid the item
5 (whether or not we in fact pay it), or (2) we return, reverse, or decline to pay an item
6 for any other reason authorized by the Terms and Conditions of your account. . . . **We**
7 **will charge an NSF/Overdraft Fee as provided in this section regardless of the**
8 **number of times an item is submitted or resubmitted to us for payment, and**
9 **regardless of whether we pay the item or return, reverse, or decline to pay the**
10 **item.**

11 *Consumer Account Terms and Conditions*, Klein Bank 4 (Jan. 2013), <https://bit.ly/2KVCKhI> (last
12 accessed Dec. 29, 2022) (emphasis added).

13 85. Central Pacific Bank, a leading bank in Hawai'i, states in its Fee Schedule under the
14 "MULTIPLE NSF FEES" subsection:

15 Items and transactions (such as, for example, checks and electronic
16 transactions/payments) returned unpaid due to insufficient/non-sufficient ("NSF")
17 funds in your account, may be resubmitted one or more times for payment, and a \$32
18 fee will be imposed on you each time an item and transaction resubmitted for payment
19 is returned due to insufficient/nonsufficient funds.

20 *Miscellaneous Fee Schedule*, Central Pacific Bank 1 (Jan. 4, 2021),
21 <https://www.cpb.bank/media/2776/fee-001.pdf> (last accessed Dec. 29, 2022).

22 86. Regions Bank likewise states:

23 If an item is presented for payment on your account at a time when there is an
24 insufficient balance of available funds in your account to pay the item in full, you
25 agree to pay us our charge for items drawn against insufficient or unavailable funds,
26 whether or not we pay the item. If any item is presented again after having previously
27 been returned unpaid by us, you agree to pay this charge for each time the item is
28 presented for payment and the balance of available funds in your account is
insufficient to pay the item.

Deposit Agreement, Regions Bank 18 (2018), <https://bit.ly/2L0vx6A> (last accessed Dec. 29, 2022).

87. Andrews Federal Credit Union states:

You understand and agree that a merchant or other entity may make multiple attempts
to re-submit a returned item for payment. Consequently, because we may charge a
service fee for an NSF item each time it is presented, we may charge you more than
one service fee for any given item (e.g., checks, electronic fund transfers and payments

1 that you initiate through the Credit Union's Digital Banking or Bill Payment services).
2 Therefore, multiple fees may be charged to you as a result of a returned item and
3 resubmission regardless of the number of times an item is submitted or resubmitted to
4 use for payment, and regardless of whether we pay the item or return, reverse, or
decline to pay the item. When we charge a fee for NSF items, the charge reduces the
available balance in your account and may put your account into (or further into)
overdraft.

5 *Terms & Conditions*, Andrews Federal Credit Union 17 (Aug. 2020), ¶ 6, <https://bit.ly/3iXEdHb> (last
6 accessed Dec. 29, 2022).

7 88. Consumers Credit Union states:

8 You understand and agree that a merchant or other entity may make multiple attempts
9 to submit a returned item for payment. Consequently, because we may charge a service
10 fee for an NSF item each time it is presented, we may charge you more than one service
11 fee for any given item. Therefore, multiple fees may be charged to you as a result of a
12 returned item and resubmission regardless of the number of times an item is submitted
or resubmitted to us for payment, and regardless of whether we pay the item or return,
reverse, or decline to pay the item.

13 *Member Services Guide*, Consumers Credit Union 5 (Apr. 2020), ¶ 11a, <https://bit.ly/3iVM1ta> (last
14 accessed Dec. 29, 2022).

15 89. Trax Credit Union states:

16 You understand and agree that a merchant or other entity may make multiple attempts
17 to submit a returned item for payment. Consequently, because we may charge an NSF
18 fee for an NSF item each time it is presented, we may charge you more than one NSF
19 fee for any given item. Therefore, multiple fees may be charged to you as a result of a
returned item and resubmitted to us for payment, and regardless of whether we pay the
item or return, reverse, or decline to pay the item.

20 *Important Account Information for Our Members*, Railroad & Industrial Federal Credit Union 2,
21 (Aug. 1, 2019), https://www.traxcu.com/_kcms-doc/2061/65694/Account-Terms-Conditions.pdf
22 (last accessed Dec. 29, 2022).

23 90. Community Bank, N.A. states:

24 We cannot dictate whether or not (or how many times) a merchant will submit a
25 previously presented item. You may be charged more than one Overdraft or NSF Fee
26 if a merchant submits a single transaction multiple times after it has been rejected or
returned.

27 *Overdraft and Unavailable Funds Practices Disclosure*, Community Bank 5 (Nov. 12, 2019),
28 <https://cbna.com/u/header/2019-Overdraft-and-Unavailable-Funds-Practices-Disclosure-FINAL->

1.14.2020.pdf (last accessed Dec. 29, 2022).

91. RBC Bank states:

We may also charge against the Account an NSF fee for each item returned or rejected, including for multiple returns or rejections of the same item.

Service Agreement for Personal Accounts, RBC Bank (Nov. 4, 2021), <https://bit.ly/3otUtko> (last accessed Dec. 29, 2022).

92. Diamond Lakes Credit Union states,

Your account may be subject to a fee for each item regardless of whether we pay or return the item. We may charge a fee each time an item is submitted or resubmitted for payment; therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item.

Membership and Account Agreement, Diamond Lakes Federal Credit Union, <https://bit.ly/39o2P94> (last accessed Dec. 29, 2022).

93. Parkside Credit Union states,

If the Credit Union returns the item, you will be assessed an NSF Fee. Note that the Credit Union has no control over how many times an intended payee may resubmit the same check or other item to us for payment. In the event the same check or other item is presented for payment on more than one occasion, your account will be subject to an additional charge on each occasion that the item is presented for payment. There is no limit to the total fees the Credit Union may charge you for overdrawing your account.

Membership and Account Agreement, Parkside Credit Union (Jan. 30, 2020), <https://bit.ly/3aaXfpG> (last accessed Dec. 29, 2022) (underline in original).

94. FCU made no such promise or representation, and in so doing, deceived its accountholders.

C. The Imposition of OD Fees on APPSN Transactions and Multiple Fees on a Single Item Breaches FCU's Duty of Good Faith and Fair Dealing

95. Parties to a contract are required not only to adhere to the express conditions in the contract, but also to act in good faith when they are invested with a discretionary power over the other party. In such circumstances, the party with discretion is required to exercise that power and discretion in good faith. This creates an implied promise to act in accordance with the parties' reasonable

expectations and means that FCU is prohibited from exercising its discretion to enrich itself and gouge its customers. Indeed, FCU has a duty to honor transaction requests in a way that is fair to Plaintiff and its other customers and is prohibited from exercising its discretion to pile on ever greater penalties. Here—in the adhesion agreements FCU foisted on Plaintiff and its other customers—FCU has provided itself numerous discretionary powers affecting customers’ credit union accounts. But instead of exercising that discretion in good faith and consistent with consumers’ reasonable expectations, FCU abuses that discretion to take money out of consumers’ accounts without their permission and contrary to their reasonable expectations that they will not be charged multiple fees for the same transaction.

96. FCU exercises its discretion in its own favor—and to the prejudice of Plaintiff and its other customers—when it assesses and OD Fees on an APPSN Transaction, and when it defines a check or an ACH debit in a way that directly leads to more NSF Fees and OD Fees. Further, FCU abuses the power it has over customers and their accounts and acts contrary to their reasonable expectations under the Account Agreement. This is a breach of FCU’s implied covenant to engage in fair dealing and act in good faith.

97. By exercising its discretion in its own favor—and to the prejudice of Plaintiff and other accountholders—by charging OD Fees on APPSN Transactions and more than one NSF Fee and/or OD Fee on a single item, FCU breaches the reasonable expectation of Plaintiff and other accountholders and in doing so violates the implied covenant to act in good faith and fair dealing.

98. It was bad faith and totally outside Plaintiff's reasonable expectations for FCU to use its discretion to assess OD Fees on APPSN Transactions and two or more NSF Fees and/or OD Fees for a single attempted payment.

CLASS ALLEGATIONS

99. Plaintiff brings this action on his own behalf and on behalf of all others similarly situated. The “Classes” includes:

All Frontwave Credit Union checking accountholders who, during the applicable statute of limitations through June 30, 2022, were charged OD Fees on APPSN Transactions on a Frontwave checking account (the “APPSN Class”).

1 All Frontwave Credit Union checking accountholders who, during the applicable
2 statute of limitations through June 30, 2022, were charged Multiple Fees on the same
3 item (the “Multiple Fees Class”).

4 100. Excluded from the Classes are FCU, its subsidiaries and affiliates, their officers,
5 directors and members of their immediate families and any entity in which defendants have a
6 controlling interest, the legal representatives, heirs, successors or assigns of any such excluded party,
7 the judicial officer(s) to whom this action is assigned, and the members of their immediate families.

8 101. Plaintiff reserves the right to modify or amend the definition of the proposed Classes
9 and/or to add a Subclass(es), if necessary, before this Court determines whether certification is
10 appropriate.

11 102. The questions here are ones of common or general interest such that there is a well-
12 defined community of interest among the class members. These questions predominate over questions
13 that may affect only individual class members because FCU has acted on grounds generally applicable
14 to the class. Such common legal or factual questions include, but are not limited to:

- 15 a. Whether FCU improperly charged OD Fees on APPSN Transactions;
- 16 b. Whether FCU improperly charged Multiple Fees on the same item;
- 17 c. Whether the conduct enumerated above breaches the contract;
- 18 d. Whether the conduct enumerated above breaches the implied covenant of good faith and
19 fair dealing;
- 20 e. Whether the conduct enumerated above violates applicable consumer protection laws; and
- 21 f. The appropriate measure of damages.

22 103. The parties are numerous such that joinder is impracticable. Upon information and
23 belief, and subject to class discovery, the Classes consist of thousands of members or more, the
24 identity of whom are within the exclusive knowledge of and can be ascertained only by resort to the
25 FCU’s records. FCU has the administrative capability through its computer systems and other records
26 to identify all members of the Classes, and such specific information is not otherwise available to
27 Plaintiff.

28 104. It is impracticable to bring the members of the Classes’ individual claims before the

1 Court. Class treatment permits a large number of similarly situated persons or entities to prosecute
2 their common claims in a single forum simultaneously, efficiently and without the unnecessary
3 duplication of evidence, effort, expense, or the possibility of inconsistent or contradictory judgments
4 that numerous individual actions would engender. The benefits of the class mechanism, including
5 providing injured persons or entities with a method for obtaining redress on claims that might not be
6 practicable to pursue individually, substantially outweigh any difficulties that may arise in the
7 management of this class action.

8 105. Plaintiff's claims are typical of the claims of the other members of the Classes in that
9 they arise out of the same wrongful business practice by FCU, as described herein.

10 106. Plaintiff is more than an adequate representative of the Classes in that she has a FCU
11 checking account and has suffered damages as a result of FCU's improper business practices. In
12 addition:

- 13 a. Plaintiff is committed to the vigorous prosecution of this action on behalf of herself and
14 all others similarly situated and has retained competent counsel experienced in the
15 prosecution of class actions and, in particular, class actions on behalf of consumers against
16 financial institutions;
- 17 b. There is no conflict of interest between Plaintiff and the unnamed members of the Classes;
- 18 c. He anticipates no difficulty in the management of this litigation as a class action; and
- 19 d. Plaintiff's legal counsel has the financial and legal resources to meet the substantial costs
20 and legal issues associated with this type of litigation.

21 107. Plaintiff knows of no difficulty to be encountered in the maintenance of this action
22 that would preclude its maintenance as a class action.

23 108. All conditions precedent to bringing this action have been satisfied and/or waived.

24 **CAUSES OF ACTION**

25 **FIRST CAUSE OF ACTION**

26 **BREACH OF CONTRACT INCLUDING THE COVENANT**

27 **OF GOOD FAITH AND FAIR DEALING**

28 109. Plaintiff incorporates the preceding allegations by reference as if fully set forth herein.

1 Plaintiff and FCU contracted for checking account and debit card services, as embodied in the
2 Account Documents.

3 110. Plaintiffs and FCU have contracted for account deposit, checking, ATM, and debit
4 card services, as embodied in the Account Documents.

5 111. FCU therefore breached promises included in the Account Documents as described
6 herein when it charged OD Fees on APPSN Transactions.

7 112. FCU also breached the terms of the Account Documents by charging Multiple Fees on
8 the same item.

9 113. Further, parties to a contract are required not only to adhere to the express conditions
10 in the contract, but also to act in good faith when they are invested with a discretionary power over
11 the other party. In such circumstances, the party with discretion is required to exercise that power and
12 discretion in good faith. This creates an implied promise to act in accordance with the parties'
13 reasonable expectations. That means that FCU is prohibited from exercising its discretion to enrich
14 itself and gouge its customers. Indeed, FCU has a duty to honor payment requests in a manner that is
15 fair to Plaintiff and other accountholders and is prohibited from exercising its discretion to pile on
16 ever greater penalties. Here—in the form agreements FCU foisted on Plaintiff and other
17 accountholders—FCU has provided itself numerous discretionary powers affecting Plaintiff's and
18 other accountholders' accounts.

19 114. Instead of exercising that discretion in good faith and consistent with Plaintiff's and
20 other accountholders reasonable expectations, FCU abuses that discretion to take money out of their
21 accounts without their permission and contrary to their reasonable expectations that they will not be
22 charged OD Fees on APPSN Transactions.

23 115. FCU breaches the covenant of good faith and fair dealing in the Account Documents
24 through its overdraft policies and practices as alleged herein.

25 116. Further, FCU uses its contractual discretion to cause APPSN Transactions to incur OD
26 Fees by knowingly authorizing later transactions that it allows to consume available funds previously
27 held for APPSN Transactions.

28 117. Further, FCU uses its contractual discretion to cause Multiple Fees to be assessed on

1 ACH payment and check items by treating them as separate items when they are not.

2 118. FCU uses these contractual discretion points to extract OD Fees and NSF Fees on
3 transactions that no reasonable consumer would believe could cause such fees.

4 119. Plaintiff and members of the Classes have performed all, or substantially all, of the
5 obligations imposed on them under the contract.

6 120. Plaintiff and members of the Classes have sustained damages as a result of FCU's
7 breach of the contract.

8 **SECOND CAUSE OF ACTION**

9 **VIOLATION OF THE UNFAIR COMPETITION LAW**

10 **Cal. Bus. & Prof. Code § 17200, et seq.**

11 **(On behalf of the Class)**

12 121. Plaintiff incorporates the preceding allegations by reference as if fully set forth herein.

13 122. FCU's conduct described herein violates the Unfair Competition Law (the "UCL"),
14 codified at California Business and Professions Code section 17200, *et seq.*

15 123. The UCL prohibits, and provides civil remedies for, unfair competition. Its purpose
16 is to protect both consumers and competitors by promoting fair competition in commercial markets
17 for goods and services. In service of that purpose, the Legislature framed the UCL's substantive
18 provisions in broad, sweeping language.

19 124. By defining unfair competition to include any "any unlawful, unfair or fraudulent
20 business act or practice," the UCL permits violations of other laws to be treated as unfair competition
21 that is independently actionable, and sweeps within its scope acts and practices not specifically
22 proscribed by any other law.

23 125. The UCL expressly provides for injunctive relief, and also contains provisions
24 denoting its public purpose. A claim for injunctive relief under the UCL is brought by a plaintiff
25 acting in the capacity of a private attorney general. Although the private litigant controls the litigation
26 of an unfair competition claim, the private litigant is not entitled to recover compensatory damages
27 for his own benefit, but only disgorgement of profits made by the defendant through unfair or
28 deceptive practices in violation of the statutory scheme or restitution to victims of the unfair

1 competition.

2 126. Specifically, Plaintiff relied on FCUs misrepresentations and material omission
3 regarding its overdraft practices. Specifically, Plaintiff had no idea she would be charged OD Fees on
4 APPSN Transactions or Multiple Fees on a single item. If Plaintiff knew she would be charged such
5 fees, she would have switched to a financial institution that did not use those practices. Such
6 misrepresentations and omissions misled Plaintiff and are likely to mislead the public. Plaintiff seeks
7 to enjoin FCU from misrepresenting and/or omitting this material and accurate information in the
8 documents that it makes available to existing accountholders and the general public who might
9 consider banking with FCU.

10 127. Plaintiff and members of the California Subclass relied on FCU's misrepresentations
11 and omissions in that Plaintiff received and reviewed the materials provided by FCU, and like any
12 reasonable customer understood these documents to mean they would not be charged OD Fees on
13 APPSN Transactions or Multiple Fees on checks and ACH debits. Had Plaintiff and others been
14 informed in any of the documents provided by FCU that they would be subject to these practices, they
15 would have been able to weigh the convenience and benefits in engaging in transactions against the
16 cost of the fees charged by FCU.

17 128. FCU's conduct violates the UCL by charging OD Fees on APPSN Transactions and
18 Multiple Fees on checks and ACH debits.

19 129. FCU committed fraudulent business acts and practices in violation of Cal. Bus. & Prof.
20 Code § 17200, *et seq.*, in the following respect, among others:

21 FCU's practices of falsely indicating in Account Documents that OD Fees will not be
22 charged on APPSN Transactions, and that only a single NSF Fee or OD Fee will be
23 charged on a checks or ACH debits.

24 FCU's affirmatively and knowingly misrepresented its overdraft practices. Such misrepresentations
25 misled the Plaintiff and are likely to mislead the public.

26 130. Specifically, FCU's conduct was not motivated by any business or economic need or
27 rationale. The harm and adverse impact of FCU's imposition of OD Fees on APPSN Transactions,
28 and Multiple Fees on a check or ACH, was neither outweighed nor justified by any legitimate reasons,

1 justifications, or motives.

2 131. The harm to Plaintiff and members of the Classes arising from FCU's fraudulent
3 practices relating to the imposition of OD Fees on APPSN Transactions and Multiple Fees on a check
4 or ACH debit outweighs the utility, if any, of those practices. FCU's fraudulent business practice
5 relating to OD Fees as alleged herein are immoral, unethical, oppressive, unscrupulous,
6 unconscionable, and/or substantially injurious to Plaintiff and members of the Class.

7 132. FCU's conduct was substantially injurious to consumers in that they have been forced
8 to pay OD Fees on APPSN Transactions and Multiple Fees on a check or ACH payment, contrary to
9 representations made in the Account Documents.

10 133. As a result of FCU's violations of the UCL, Plaintiff and members of the Classes have
11 paid, and/or will continue to pay OD Fees and NSF Fees and thereby have suffered and will continue
12 to suffer actual damages.

13 **PRAYER FOR RELIEF**

14 WHEREFORE, Plaintiff demands judgment against FCU for herself and the member s of the
15 Classes as follows:

- 16 (a) Certifying this matter as a class action;
- 17 (b) Designating Plaintiff as appropriate Class representative and his counsel as Class
18 Counsel;
- 19 (c) Declaring FCU's APPSN OD Fee and Multiple Fee policies and practices to be a
20 breach of contract, as well as unfair, fraudulent, and unlawful;
- 21 (d) Restitution of all relevant OD Fees and NSF Fees paid to FCU by Plaintiff and the
22 members of the Classes, as a result of the wrongs alleged herein an amount to be
23 determined at trial;
- 24 (e) Disgorgement of the ill-gotten gains derived by FCU from its misconduct;
- 25 (f) Actual damages in an amount according to proof;
- 26 (g) Statutory, punitive, and exemplary damages, as permitted by law;
- 27 (h) Pre-judgment interest at the maximum rate permitted by applicable law;
- 28 (i) Costs and disbursements assessed by Plaintiff in connection with this action, including

reasonable attorneys' fees pursuant to applicable law; and

(j) Such other relief as this Court deems just and proper.


DEMAND FOR JURY TRIAL

Plaintiff and all others similarly situated hereby demand trial by jury on all issues in this complaint that are so triable as a matter of right.

Dated: January 4, 2023

Respectfully submitted,

KALIELGOLD PLLC

By: 

Sophia Goren Gold

Jeffrey D. Kalien

Attorneys for Plaintiff and the Putative Class

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SAN DIEGO

At the time of service, I was over 18 years of age and **not a party to this action**. I am employed in the District of Columbia. My business address is 1875 Connecticut Avenue NW, 10th Floor, Washington, D.C. 20009.

On January 4, 2023, I served true copies of the following document(s) described as:

PLAINTIFF'S AMENDED CLASS ACTION COMPLAINT

on the interested parties in this action as follows:

Stuart M. Richter
stuart.richter@katten.com
Camille A. Brooks
camille.brooks@katten.com
Kattan Muchin Rosenman LLP
2029 Century Park East, Suite 2600
Los Angeles, California 90067-3012

Attorneys for Defendant
FRONTWAVE CREDIT UNION

☐ **BY MAIL:** I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed in the Service List and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with KalieGold LLP's practice for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

☒ **BY E-MAIL OR ELECTRONIC TRANSMISSION:** I caused a copy of the document(s) to be sent from e-mail address ngarcia@kaliegold.com to the persons at the e-mail addresses listed in the Service List. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 4, 2023, at Los Angeles, California.



NEVA GARCIA

EXHIBIT A



IMPORTANT ACCOUNT INFORMATION FOR OUR MEMBERS
TERMS AND CONDITIONS – ELECTRONIC TRANSFERS – FUNDS AVAILABILITY – TRUTH IN SAVINGS
EFFECTIVE: July 2019

TERMS AND CONDITIONS OF YOUR ACCOUNT AGREEMENT – This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules that control your account(s) with us. Please read this carefully. If you sign the signature card or open or continue to have your account with us, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and Fees and Charges if they are not included in this document. If you have any questions, please call us. This agreement is subject to applicable federal laws and the laws of the state of California (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) Summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events, which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. As used in this document the words "we," "our," and "us" mean Frontwave Credit Union and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account (i.e., joint owners or issuer of POA's). The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

TCPA - CONSENT TO CONTACT (Non-Telemarketing Only) – You give your express consent for the Credit Union and others acting on our behalf to contact you at any telephone number you give to us or we obtain from any other source (including any wireless phone or VoIP number), using any calling or texting technology (including any automatic telephone dialing system, artificial voice or prerecorded voice), regarding this account or any other relationship you now or later have with the Credit Union. You agree that you have not provided, and will not provide to us, any telephone number unless you are the subscriber to the service or the customary user of the telephone to which that number relates unless you tell us in writing. If you revoke this authorization, you agree to do so in a way that is likely to provide us with notice in time to process that revocation before we make any further calls or send any further texts, such as by using one of the methods designated by the Credit Union for such purpose.

BYLAWS – Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations that affect your account and membership. We may change our bylaws and any term of this agreement without advanced notice. Rules governing changes in rates, fees or charges are provided separately. For other changes, we will give you reasonable notice in writing or by any other methods permitted by law. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s), and there may be a fee for such in accordance with our Schedule of Fees and Charges. Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

LIABILITY – You agree, for yourself (and any joint owners, persons or entities you represent if you sign as a representative of another) to the terms of this account and the Schedule of Fees and Charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement. Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit amount including, to the extent permitted by law, our reasonable attorneys' fees.

RIGHT TO DENY, AMEND, TERMINATE, RESTRICT, SUSPEND, REVOKE/EXPEL MEMBERSHIP OR SERVICES – In accordance with our Bylaws, we may close this account if your membership in the credit union terminates. We will give reasonable notice to you that available funds in your account can be disbursed to you in person, or by mail. At our option, we may deny, amend, terminate, restrict, suspend, revoke/expel your rights to membership or any products or services if you pose a risk, or violate the terms and conditions of this agreement, or any other agreement between you and the credit union. Services can include, but are not limited to ATM access, online banking, deposits, withdrawals, and VISA cash advances, personal or collateralized loans, EFT/ACH, wires or other services. We reserve the right to terminate, restrict, suspend or revoke/expel you from membership or services, if you cause a loss to the credit union, or pose a risk of loss to the credit union (i.e., commit fraud, become delinquent on your loan(s), incur a negative balance, or repeated NSF activity). We may also take any of the actions described if you are abusive, threatening or intimidating towards credit union staff, or attempt to coerce them into committing an act that violates credit union policy, procedure, state/federal laws or business ethics. You must also keep us informed of your current address at all times to avoid suspension or termination of services.

Failure to do so may result in a Lost Contact Fee (or portion therein if your account balance is below the fee). See Schedule of Fees & Charges. Notice from us to you of these terms and conditions, or any joint owner on the account, is considered notice to all who are on the account.

UNJUST ENRICHMENT – The credit union has the right to reverse a transaction, take collection action or demand restitution when a member profits or is unjustly enriched at the expense of another, or at the expense of the credit union because of a clerical or system error. The member will be required to make restitution for the reasonable value of any cash, negotiable instrument, property, services or other benefits that have been unfairly received or retained.

DEPOSITS – We will give only provisional credit until collection is final for any items, other than cash, that we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cut off time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

MOBILE/REMOTE DEPOSITS – Refer to or request a copy of Frontwave Credit Union's Remote Deposit Capture Services Disclosure for related Terms and Conditions.

WITHDRAWALS – Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to indorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations.

Even If we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the Funds Availability Policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our Funds Availability Policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

- **INDIVIDUAL ACCOUNT** – is an account or certificate in the name of one person.

JOINT ACCOUNT – This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s).

TOTTEN TRUST ACCOUNT - (subject to this form) – If two or more of you create this account, you own the account jointly with right of survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the funds at any time.

TRUST ACCOUNT SUBJECT TO SEPARATE AGREEMENT – We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

KIDS ACCOUNTS – is an account for children ages 0-12. The child must be the primary owner of the account. The Social Security Number of the child must be presented at the time the account is opened. An adult (person over the age of 18) must be joint owner on a Kids Account. The account is subject to certain restrictions as to services and products. The adult joint owner creating the account reserves the right to: (1) change beneficiaries, if so named, (2) change account types, and (3) withdraw all or part of the account funds at any time. The adult assumes all responsibility and is liable for the account. Upon reaching the age of 18, the child (primary owner) is deemed an adult, assumes primary responsibility and authority for the account, and is eligible to apply for services and products that were restricted. **However, the adult joint owner is still deemed fully liable, unless they submit a written request to be removed from the account, or the primary owner submits such a request.**

MINOR/TEEN ACCOUNTS – is an account for Minors/Teens ages 13-17 (hereon referred to as Teen account). The Teen account is designed to bridge the gap between our Kids Account product and adulthood. All Teens are required to sign up for Online banking and E-Statements. Teens must be the primary owner of the account and a parent or legal guardian must be on the account as joint owner. The Social Security Number of the Teen must be presented at the time the account is opened. In addition to savings products, the Teen account is eligible for a checking account and VISA Debit/ATM Card. The primary owner and parent or legal guardian/joint owner must be cleared through ChexSystems in order to qualify for a checking account. **The parent or legal guardian/joint owner is the only one who can initiate the checking account and order or reorder checks. The parent or legal guardian/joint owner is responsible for any losses that may occur on the account.** Minors cannot legally be held responsible for any losses that may occur on the account. The parent or legal guardian/joint owner is the only one who can initiate the VISA Debit/ATM Card order, establish or change the velocity, order or reorder any card/plastic. Minors cannot legally be held responsible for any losses that may occur on the account. Once the Teen reaches the legal age of 18, a new contract (signature card) with the Credit Union needs to be signed. In addition, the standard VISA Debit/ATM Card will be issued at the time the Teen turns 18. **The parent or legal guardian/joint owner will continue to remain liable for all balances, transactions and fees associated with all related share, checking, or VISA Debit/ATM Card, unless they submit a written request to be removed from the account, or the Teen member upon turning 18 years of age, submits such a request.**

PROHIBITION AGAINST INTERNET GAMBLING ACCOUNTS OR TRANSACTION ACTIVITY – In accordance with the requirements of the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG, this notification is to inform you that restricted transactions are prohibited from being processed through your account or relationship with our institution. Restricted transactions are transactions in which a person accepts credit, funds, instruments or other proceeds from another person in connection with unlawful Internet gambling.

TRANSFERRING FUNDS TO ANOTHER ACCOUNT – Should we/you transfer the funds in any of the account types listed above to another account or new account that we/you open at the credit union, you agree to be bound by the terms and conditions applicable to the account from which the funds are being transferred, until or unless you execute/sign a new account agreement.

STOP PAYMENTS – You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. Only the person who initiated the stop-payment order may make a release of the stop-payment request. Our stop-payment cutoff time is one hour after the opening of the next business day after the business day on which we receive the item. Law provides additional limitations on our obligation to stop payment (e.g., we paid the item in cash or we certified the item). We will charge a fee for each stop payment order you give. See current Schedule of Fees & Charges.

TELEPHONE TRANSFERS – A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing.

INACTIVE ACCOUNTS – If your account has had no activity for at least six (6) months, has less than a \$50.00 aggregate balance and no open loans, it can be assessed an "Inactive Account Fee" as disclosed in the Schedule of Fees & Charges (or any part therein, if your account balance is below the fee) each quarter, for as long as the account remains inactive. If your account reaches a zero balance, it will be closed. To reactivate your account and avoid the fee, please contact the credit union.

GATHERING OR UPDATING INFORMATION – As a member, you authorize the credit union to gather from time to time, whatever credit report, checking account and employment information about you or any other person named on your account that is considered appropriate. You understand that this information will assist the credit union for example; in determining your initial and ongoing eligibility for any accounts/services and/or in connection with making future credit opportunities available to you or any other person named on your account.

STATEMENTS – You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized transactions, alterations or changes to information, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be with respect to not only items on the statement but also other items with unauthorized signatures or alterations by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 60 days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

ACCOUNT TRANSFER – This account may not be transferred or assigned without our prior written consent.

DIRECT DEPOSITS – If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

RIGHT TO REPAYMENT OF INDEBTEDNESS – You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accelerate under the note. In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accordance with the statutory lien. Neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising because of our exercise of our right to repayment.

AUTHORIZED SIGNER (Individual Accounts only) – A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

RESTRICTIVE LEGENDS – We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "Must be presented within 90 days" or "Not valid for more than \$1,000.00" or "Paid in Full."

PAYMENT ORDER OF ITEMS – Knowing your "available balance" is important to managing your deposit/checking account. Available balance refers to the actual amount available in your account that is without any restrictions, holds or uncollected/processed items. When processing items drawn on your account, our policy is to pay them in the order in which they are received. The order in which items are paid is important if the available balance in your account is not enough to pay all of the items that are presented. When two checks are received at the same time, the lowest check number will be processed first. There is no policy that is favorable in every instance. If the smallest items were to be paid first, you may have fewer NSF's or overdraft fees, but the largest and perhaps more important items (such as rent or mortgage payments) might not be paid. If an item is presented without available funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item NSF. Current Overdraft and NSF fees are disclosed in our Schedule of Fees and Charges, which is available on our website or upon request. By paying items in the order that we receive them, our policy maintains a reasonable balance between minimizing additional cost to you and paying your more important items. A hold on your funds or an unprocessed item, can affect the ability for all items that are presented, to be paid. You must be

cognizant of such holds and items that have yet to be received and/or processed in order to determine the available balance in your account. We encourage you to keep careful records and practice good account management. This will help you to avoid writing checks against your account when the available balance is not enough to pay all of your items, which can result in NSF/Overdraft fees.

PLEDGES – Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

ACH AND WIRE TRANSFERS – This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers, as adopted in the state in which you have your account with us. If you originate a fund transfer for which Fedwire® is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearinghouse association rules. These rules provide, among other things that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you notice of the payment order or credit. If the amount that is paid or credited to your account, is later reversed due to fraud or other reasons by the initiating financial institution or other entity, you will be held financially responsible and subject to collection action, should the reversal create a negative balance in your account, because you've withdrawn all or a portion of the original funds that were paid or credited to your account.

FICTITIOUS BUSINESS NAME ACCOUNTS – If the name in which the account is held is fictitious, each account holder represents that one or more of the account holders have the right to use that name and have fulfilled all legal requirements for using and or doing business under that name.

FACSIMILE SIGNATURES – You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

ELECTRONIC/DIGITAL SIGNATURES – As a service and convenience, we may accept your electronic/digital signature to conduct credit union related business such as opening a membership account or applying for a loan online. However, your rights to NOT USE electronic signatures will be preserved. You reserve the right to use a paper or "wet ink" signature. We must also receive your affirmative consent electronically in a manner that reasonably demonstrates that you can provide and access information in the electronic form that will be used to provide the information that is the subject of consent. All required disclosures must be provided in a manner that complies with regulatory mandates. Frontwave Credit Union is required to retain a record and retain a copy of the application, transaction or document that "accurately reflects" the substance for which you are providing your electronic/digital signature therein, and is in a form that is capable of being accurately reproduced for later reference, whether by transmission, printing or otherwise.

ELECTRONIC DISCLOSURES AND NOTICES – This disclosure describes the process that must occur before we can provide you with electronic disclosures and notices (such as by email or website). It also describes your rights in the event you consent to receiving electronic disclosures and notices. First, we must inform you as to the computer hardware and software requirements to receive and keep the electronic disclosures and notices. Then we must make an electronic request for your consent. Finally, you must give your consent electronically in response to our request. You understand prior to giving your consent that:

- (1) Your consent applies only to disclosures and notices regarding your deposit/share accounts, Loans including your periodic account statements;
- (2) Unless you consent, you have the right to receive all required disclosures in paper or non-electronic form;
- (3) Even after consent, if you want to receive a paper copy of the disclosure in addition to the electronic disclosure, you can obtain one free of charge (except for periodic statements, wherein a fee may be charged in accordance with Frontwave Credit Union's current Schedule of Fees and Charges.) by calling us;
- (4) You can withdraw your consent at any time by calling us; and
- (5) You must promptly provide us with the information (such as an email address) needed to communicate with you electronically and update us as to any changes in such information by calling us.

We reserve the right to provide any disclosures or notices in writing, rather than electronically. Except as otherwise provided by law or in other agreements you can give us regarding your deposit/share accounts or your periodic statements, except for stop payment orders, by email us at our current email address, regardless of anything in this agreement to the contrary; however, we reserve the right to have any notices confirmed in writing upon our request.

ELECTRONIC FUND TRANSFERS (EFT's) – YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of EFT's we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

EFT's Initiated By Third Parties – You may authorize a third party to initiate an EFT between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences, or may be recurring as directed by you. These transfers may use the Automated Clearing House (ACH) or other payment networks. Your authorization to the third party to make these transfers can occur in a number of ways. For example; your authorization to convert a check or draft to an EFT or to electronically pay a returned check or draft charge, can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these EFT's. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may arrange for certain direct deposits to be accepted into your checking or savings account(s).
- **Preauthorized payments.** You may arrange to pay certain recurring bills from your checking or savings account(s).

- **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.
- **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

Express Line – You may access your account by telephone 24 hours a day at 760.966.2900 or 800.829.7676 using a touch-tone phone, your account numbers, and your access code, to conduct various inquiries and transactions on your accounts to include consumer payments or transfers among accounts. A full listing of Express Line functions and limitations is provided in a separate Express Line brochure.

ATM Transfers - types of transfers, dollar limitations, and charges – You may access your account(s) by ATM using your VISA Debit/ATM card and personal identification number to:

- get cash withdrawals from checking or savings account(s)
- make deposits to checking account(s)
 - You may withdraw no more than \$600.00 per 24-hour period
- make deposits to savings account(s)
- get information about:
 - transfer funds from savings to checking account(s)
 - The account balance of your checking account(s)
 - transfer funds from checking to savings account(s)
 - The account balance of your savings account(s)
 - The account balance of your loan account(s)

There is a fee per transaction or inquiry made at ATMs we do not own or operate (See current Schedule of Fees and Charges). Some of these services may not be available at all terminals:

Types of ATM Point-of-Sale (POS) Transactions – You may access your checking or savings account(s) to purchase goods (in person), pay for services (in person), and get cash from a merchant, if the merchant permits, or from a participating financial institution.

Point-of-Sale Transactions (POS) - Dollar Limits and Charges – Using your **PIN based** VISA Debit/ATM card, you may not exceed \$999.99 in transactions per 24-hour period. There is no fee for transactions conducted at any **POS** we do not own or operate. However, transactions conducted at an **ATM** we do not own or operate, may be charged a fee. Any **Non-PIN based** VISA Debit/ATM card transaction has a daily limit of \$3000. **Non-PIN based** VISA **Credit** card transactions have a daily limit based on available credit limit.

Types/Limit of Debit Card Point-of-Sale Transactions - You may access your checking (share draft) account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept. The number of POS transactions within a 24-hour period is limited to ten (10).

Foreign Transactions and Charges. Transactions made in foreign countries will be billed in U.S. dollars. The conversion rate in U.S. dollars will be at either the government-mandated rate or a wholesale currency market rate for the processing cycle in which the transaction is processed. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. The Credit Union has no control over the conversion rate. The conversion rate will not be increased by an adjustment factor. However, a separate International Service Assessment Fee is charged to the Credit Union. This fee is payable by you and will appear on your statement as an additional charge. See current Schedule of Fees & Charges.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example: an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

Online Banking Computer Transfers - Types of transfers – You may access your account(s) by computer by using your access code and your account numbers, to:

- transfer funds from checking to checking
- transfer funds from savings to checking
- make payments from checking to loan accounts
- make payments from savings to loan accounts
- make payments from checking to third parties with Online Bill Pay, P2P
- deposit checks
- transfer funds from checking to savings
- transfer funds from checking to money market
- transfer funds from money market to any other account
- transfer funds from savings to money market
- transfer funds from line of credit to checking
- transfer funds from savings to savings

Get information about:

- account balance of checking and savings accounts
- last four months' withdrawals from checking and savings accounts
- last four months' activity on consumer loan account
- last four months' deposits to checking and savings accounts

Frontwave Mobile Banking Transfers ([Frontwave Credit Union.mobi](#)) – **Types of transfers.** You may access your account(s) through a mobile access device (i.e., cell phone, PDA) by using your access code and your account numbers, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from checking to money market
- transfer funds from savings to checking
- transfer funds from savings to savings
- transfer funds from savings to money market
- transfer funds from line of credit to checking

- transfer funds from line of credit to savings
- transfer funds from money market to any other
- make payments from checking to loan accounts with us
- make payments from savings to loan accounts with us
- get information about:
 - The account balance of checking and savings accounts
 - The last four months' deposits to checking and savings accounts
 - The last four months' withdrawals from checking and savings accounts
 - The last four months' activity on consumer loan accounts

FEES – We do not charge for direct deposits to any type of account. We do not charge for preauthorized payments from any type of account. Except as indicated elsewhere, we do not charge for these EFT's.

ATM Operator/Network Fees – When you use an ATM not owned by us, the ATM operator or any network used may charge you a fee (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION –

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an ATM or POS terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account you can call the Express Line at 800.829.7676, or access your account at frontwavecu.com to find out whether or not the deposit has been made.
- **Periodic statements.** You will get a monthly account statement from us for your checking account and savings account, unless you have no other account with us and there were no EFT's or deposits during the monthly period. At a minimum, you will receive a statement quarterly.

PREAUTHORIZED PAYMENTS –

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:
Call or write us at the telephone number or address listed in this brochure in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. We will charge a fee for each stop-payment order you give (See current Scheduled of Fee and Charges).
- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay is required to tell you, 10 days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If through no fault of the Credit Union, you do not have enough money in your account to make the transfer.
- (2) If you have overdraft protection and the transfer would exceed your overdraft protection limit.
- (3) If the ATM where you are making the transfer does not have enough cash.
- (4) If the ATM or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- (1) Where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) In order to comply with government agency or court orders; or
- (4) If you give us written permission.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.

• **Generally.** Tell us AT ONCE if you believe your card and/or personal identification number has been lost or stolen. Telephoning is the best way of limiting your possible losses. You may contact a MSC Agent at 800.736.4500 or you may block your card 24 hours a day, seven days a week via the Express Line at 800.829.7676. You will not be liable for an unauthorized transaction, as long as you have exercised reasonable care in safeguarding your card from risk or loss or theft, and upon becoming aware, promptly report the loss or theft to the credit union. You could lose all the money in your account (plus your maximum overdraft line of credit. If you tell us within Two (2) business days after you learn of the loss or theft of your card, you can lose no more than \$50 if someone used your card without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or PIN, and we determine we could have stopped someone from using your card and/or PIN without your permission if you had told us, you could lose as much as \$500.

If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we determine that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we may extend the times.

• **Limited Liability for VISA Debit/ATM Cards.** Your liability is further limited if your card can be used to initiate a transaction for which you are not required to provide identifying information, such as a Personal Identification Number (PIN). You could lose all the money in your account.

In addition, when used in POS transactions, and unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions if your card is lost or stolen.

If you fail to notify us of an unauthorized use that appears on a periodic statement within 60 days of our transmittal of the statement, and we can establish that we could have prevented the unauthorized use if you had notified us within this period, you will be liable for each unauthorized transfer (other than VISA® POS transactions) that occurs after the close of the 60 days and before you give us notice.

If you fail to notify us because of extenuating circumstances beyond your control that contributed to your delay in notifying us, such as a serious physical impairment or hospitalization, this time may be extended.

If you furnish your card and pin to a person (such as a family member or friend) and grant them authority to use your card for a specific transaction, and they exceed the authority given, you are fully liable for any transaction(s) that exceed your initial authority, UNLESS you notify the credit union that transactions by that person which exceed your initial authority, are no longer authorized. You also agree to co-operate with the Credit Union to recover and seek restitution for any unauthorized funds that are withdrawn from your account by said person it is recommended, but we cannot require you to file a police report that names the person in question.

Limited Liability for Credit Card. Your liability with respect to unauthorized transactions may be greater than the extent allowed under applicable law, if Frontwave Credit Union has determined that you were grossly negligent or fraudulent in the handling of your credit card account or credit card information.

(b) Contact in event of unauthorized transfer. If you believe your card and/or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, immediately call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed if you believe a transfer has been made using the information from your account without your permission.

ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, call or write us at the number or address below, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared. If you tell us orally, we require that you send us your complaint or question in writing within 10 business days. All required documentation must be completed in order to investigate your claim; otherwise your claim may be deemed invalid.

(1) Tell us your name and account number (if any).

(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

(3) Tell us the dollar amount of the suspected error.

We will determine whether an error occurred within 10 business days for Debit Card point-of-sale transactions processed by VISA and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will "provisionally" credit your account within 10 business days (5 business days for Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. If our investigation reveals you are at fault for the loss, and you were given provisional credit, you will be required to pay back the provisional credit or any portion you are liability for therein. You may ask for copies of the documents that we used in our investigation.

FRONTWAVE CREDIT UNION CARD SERVICES – 1278 Rocky Point Dr., Oceanside CA 92056 - Phone: 800.736.4500

BUSINESS DAYS AND HOURS – Our general business days and hours are Monday - Friday day (9:00am-6:00pm) and Saturday (9:00am-4:00pm) excluding Sunday and Federal holidays. For specific Branch and Member Solution Center hours, please visit our website at: frontwavecu.com

NOTICE OF ATM/NIGHT DEPOSIT – FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful:

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.

2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Do not leave them at the ATM or night deposit facility because they may contain important account information.

3. Compare your records with the account statements you receive.

4. Don't lend your VISA Debit/ATM card to anyone.

5. Remember; do not leave your card at the ATM. Do not leave any documents at a night deposit facility.

6. Protect the secrecy of your Personal Identification Number (PIN). Protect your VISA Debit/ATM card as though it were cash. Don't tell anyone your PIN. Do not give anyone information regarding your VISA Debit/ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Do not write your PIN where it can be discovered. For example, do not keep a note of your PIN in your wallet or purse.

7. Prevent others from seeing you enter your PIN by using your body to shield their view.

8. If you lose your VISA Debit/ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.

9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.

10. Don't accept assistance from anyone you do not know when using an ATM or night deposit facility.

11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.

12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.

13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.

14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all accounts. Our policy is to make funds from your cash and check deposits available to you immediately. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit. For determining the availability of your deposits, our general business days and hours are Member Solution Center hours.

Please visit our website at frontwavecu.com for specific Branch Hours. If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be made available in the same manner as if the deposit had been made into your account.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will be available on the second business day after the day of deposit, except that U.S. Treasury checks that are payable to you will be available on the first business day after the day of deposit. Also, the first \$200 of a deposit will be available on the first business day after the day of deposit. Checks drawn on Frontwave Credit Union will be available on the first business day after the day of deposit if the deposit is made at an ATM located on our premises. Funds from any deposits (cash or checks) made at ATMs we do not own or operate will not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. The requirement to make the first \$200 of daily deposits available on the business day following the day of deposit does not apply to deposits made at ATMs we do not own or operate. ATMs that we own or operate are identified as our machines.

LONGER DELAYS MAY APPLY

Case-by-case delays. In some cases, we will not make all of the funds that you deposit by check available to you immediately. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. However, the first \$200 of your deposits will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available immediately, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds would be available.

Safeguard exceptions. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on anyone day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.
- We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the eleventh business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, travelers, and federal, state and local government checks will be available immediately if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits may be subject to extended holds that will delay availability.

TRUTH-IN-SAVINGS DISCLOSURE

SHARE (SAVINGS) ACCOUNT – (Includes KIDS ACCOUNT ages 0-12, and MINOR/TEEN ACCOUNT ages 13-17)

Rate Information: The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting – Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31.

If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements – No minimum balance requirements apply to this account.

Daily balance computation method – Dividends are calculated by the daily balance method that applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits – Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations – No transaction limitations apply to this account unless otherwise stated in the Common Features section.

MONEY MARKET ACCOUNT

Rate Information – The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting – Dividends will be compounded every month. Dividends will be credited to your account every month. **Dividend period** – For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31. If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements – The minimum balance required to open this account is \$2,500.00. You must maintain a minimum daily balance of \$2,500.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method – Dividends are calculated by the daily balance method that applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits – Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations – During any month, you may not make more than six withdrawals, preauthorized, automatic or telephone transfers, or transfers made by check, debit card or similar order payable to a third party from your savings or money market accounts to another credit union account of yours or to a third party by means of a telephonic order or instruction or similar order to a third party. If you exceed these transfer limits, the excess transfer request may be refused or reversed and the credit union may reclassify or close your account. There are no limits on the number of withdrawals paid directly to you when initiated in person, and no limit on the number of withdrawals paid directly to you when initiated by mail, telephone or messenger.

INDIVIDUAL RETIREMENT ACCOUNTS

We offer several IRA products to meet the various needs and desires of our members. Although each IRA product is subject to different regulations and limitations, the information provided below is common to all. Additional detailed information concerning IRA products is available elsewhere.

Rate Information – The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting – Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period – For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31. If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements – The minimum balance required to open this account is \$50.00.

Daily balance computation method – Dividends are calculated by the daily balance method that applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits – Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations – You may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephonic order or instruction, or similar order to a third party.

Fees and charges – See current Schedule of Fees and Charges.

SHARE DRAFT (CHECKING) ACCOUNTS

Overdraft Protection – Whenever a Share Draft (check) is presented against insufficient funds, we will automatically transfer funds from your Share Savings account in an amount equal to the amount needed to pay the presented Share Draft (check) if you have a Share Savings account and if there are sufficient funds available. An overdraft transfer fee is assessed each time an overdraft transfer is executed. Please see current Schedule of Fees & Charges.

Overdraft Protection Via Courtesy Pay – Courtesy Pay is another type of overdraft protection (with pre-approved limits), that qualifying members can receive. It is not a loan. Courtesy Pay will pay checks presented for payment against your account, even if those checks cause your account to become overdrawn.

Your account will be assessed a Courtesy Pay fee (See current Schedule of Fees & Charges) each time your account is overdrawn if the transaction results in a negative balance greater than \$20. The maximum number of fees charged in a day is five (5). You will be provided notification whenever Courtesy Pay is activated. You must repay the outstanding negative balance within 30 days to avoid termination of Courtesy Pay service or collection action. Failure to maintain your current address on file, can result in suspension or termination of Courtesy Pay services. Courtesy Pay **IS NOT** available on Business or Teen Checking Accounts. Under certain circumstance, Frontwave Credit Union reserves the right to decline overdraft protection via Courtesy Pay on items presented for payment. Courtesy Pay is also available for VISA Debit/ATM Card transactions. **However, you must provide affirmative consent (Opt In) to have Courtesy Pay overdraft services on VISA Debit/ATM Card transactions.** Affirmative consent can be provided in person, by phone, in writing or through online banking.

Share Draft (Check) Re-presentation – Checks (Share Drafts) presented against an account without sufficient funds will be subject to a Non-Sufficient Funds fee. All such checks (Share Drafts) will be held for one day and re-presented for payment. Should sufficient funds be available, the item will be paid and a Re-presentation Fee will be assessed. Please see current Schedule of Fees & Charges. If there are not sufficient funds to pay the re-presented Check (Share Draft) the item will be returned unpaid without any additional fees.

PRIMARY CHECKING IS A “NON-INTEREST” BEARING CHECKING ACCOUNT

Minimum balance requirements – The minimum balance required to open this account is \$15.00

Transaction limitations – No transaction limitations apply to this account unless otherwise stated in the Common Features section.
Overdraft Protection – This account may benefit from Overdraft Protection via Share Savings, LOC or VISA Credit Card and Courtesy Pay.

DIVIDEND CHECKING IS AN INTEREST BEARING CHECKING ACCOUNT

Rate Information – Current rate information is available at frontwavecu.com or by request. The dividend rate and annual percentage yield may change at any time, as determined by the credit union Board of Directors.

Compounding and crediting – Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period – For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31. If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements – The minimum balance required to open this account is \$15.00. You must maintain a minimum daily balance of \$1,500.00 in your account to avoid a low balance fee. If, during any month, your account balance falls below the required minimum daily balance your account will be subject to a low balance fee once for that month (see current fee schedule). This fee will be waived for members 55 years of age or older.

Daily balance computation method – Dividends are calculated by the daily balance method that applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits – Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations – No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Overdraft Protection – This account may benefit from Overdraft Protection via Share Savings, LOC, VISA Credit Card and Courtesy Pay.

SHARE CERTIFICATES Rate Information – Current rate information is available at frontwavecu.com or by request.

Compounding frequency – Unless otherwise paid, dividends will be compounded every month.

Crediting frequency – Dividends will be credited to your account every month. Alternatively, you may choose to have dividends paid to you or to another account every month rather than credited to this account.

Dividend period – For this account type, the dividend period is monthly.

Minimum/Maximum Deposit/Balance Requirements – Share Certificate: The minimum balance required to open a Share Certificate account is \$1,000.00. You must maintain a minimum daily balance of \$1,000.00 in your account each day to obtain the disclosed annual percentage yield.

General transaction limitations – After the certificate account is opened, you may not make deposits to the certificate account during the term, unless the type and term of the certificate, allows you to make additional deposits. **You may NOT make withdrawals of principal from your certificate account before maturity.** Withdrawal of principal will require closure of the certificate. You can only withdraw dividends credited during the term and/or before maturity of the certificate account without penalty. You can withdraw dividends anytime during the term after dividends have been credited to the certificate account.

Time requirements – Your certificate account will mature as noted in the written Certificate Receipt.

SAVER'S CERTIFICATE Rate Information – Current rate information is available at frontwavecu.com or by request.

Compounding frequency – Unless otherwise paid, dividends will be compounded every month.

Crediting frequency – Dividends will be credited to your account every month. Alternatively, you may choose to have dividends paid to you or to another account every month rather than credited to this account.

Dividend period – For this account type, the dividend period is monthly.

Minimum/Maximum Deposit/Balance Requirements - The minimum balance required to open a Saver's Certificate account is \$100.00. The maximum to open a Saver's Certificate is \$500.00. The minimum monthly deposit for the Savers Certificate is \$10.00 per month, the maximum monthly deposit to a Saver's Certificate is \$500.00. You must maintain a minimum daily balance of \$100.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method – Dividends are calculated by applying a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits – Dividends will begin to accrue on the business day you place noncash items (For example: checks or direct deposit) to your account.

General transaction limitations – After the certificate account is opened, you may not make deposits to the certificate account during the term, unless the type and term of the certificate, allows you to make additional deposits. **You may NOT make withdrawals of principal from your certificate account before maturity.** Withdrawal of principal will require closure of the certificate. You can only withdraw dividends credited during the term and/or before maturity of the certificate account without penalty. You can withdraw dividends anytime during the term after dividends have been credited to the certificate account.

Time requirements – Your certificate account will mature as noted in the written Certificate Receipt.

EARLY CERTIFICATE WITHDRAWAL PENALTIES – A penalty may be imposed for certificate accounts that are withdrawn before maturity. The penalty that may be imposed can be the greater of:

- seven (7) days dividends, on the amount withdrawn subject to penalty, if the withdrawal is made within the first six (6) days after the account is opened or renewed, or
- a dividend penalty based on the date of early withdrawal, the term of the certificate and the type of certificate. Specific penalty information is available on your Certificate Receipt.

In certain circumstances such as the death or incompetence of an owner of the Certificate Account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

Withdrawal of dividends prior to maturity – The annual percentage yield is based on an assumption that dividends will remain in the account until maturity. A withdrawal during the term of the certificate will reduce earnings.

Automatically renewable account – Certificate Account will automatically renew at maturity, unless the type and terms of the Certificate Account state otherwise. You may prevent renewal if we receive written notice from you before maturity of your intention not to renew or you withdraw the funds in the Certificate Account at maturity. If you prevent renewal, dividends will not accrue after final date of maturity. Certificate Accounts that renew automatically will have the same terms as the original Certificate Account terms, beginning on the maturity date. The dividend rate will be the current rate being offered for the same type, terms and other features as the original Certificate Account, unless stated otherwise. There is grace period of seven (7) calendar days after the date of maturity to withdraw the funds in the account without being charged an early withdrawal penalty.

COMMON FEATURES

Transaction limitation – We reserve the right to at any time, to require not less than seven days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D.

Nature of dividends – Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. (This disclosure further explains the dividend feature of your non-term share account(s).)

National Credit Union Share Insurance Fund - Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.

Your account may be subject to various service fees and charges. These fees and charges are subject to change. The current schedule of Fees & Charges is available at frontwavecu.com or by request.

FRONTWAVE CREDIT UNION

1278 Rocky Point Dr.
Oceanside, CA 92056

Local: 760.631.870

FAX: 877.789.7628

International: 760.631.8700

Member Solution Center: Toll Free 800.736.4500

Express Line:

Local 760.631.8799

Toll Free 800.829.7676

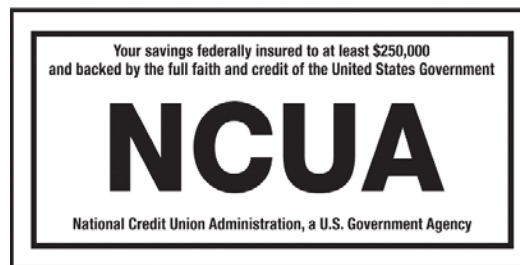


EXHIBIT B

Fees & Charges

Effective January 1, 2019 • frontwavecu.com

SERVICE

Cashier's Check	
- One per day	FREE
- Beyond one per day	\$ 3.00
Compliance with Legal Orders	\$ 75.00
Gift Card- VISA	\$ 3.95
Internal Vehicle Refinance	\$ 100.00
Overdraft Courtesy Pay	\$ 20.00
Overdraft Protection Transfer (from Savings)	\$ 2.00
Returned Item	
- Nonsufficient Funds (NSF) Fee	\$ 29.00
- Returned Deposit Item	\$ 15.00
Skip-a-Payment	\$ 45.00
Stop Payment	
- ACH or check	\$ 25.00
- Cashier's check (with Indemnification Agreement)	\$ 25.00
Western Union Money Order Payment	
- Domestic (\$3,000 max. per order)	\$ 18.00
Wire Transfer	
- Outgoing	\$ 25.00
- Incoming	FREE

ACCOUNT

Primary Checking Account	FREE
Dividend Checking Account	
- \$1,500+ daily balance	FREE
- Age 55 and older	FREE
- None of the above (per month)	\$ 5.00
Inactive Account (all or any part of) (per quarter)	\$ 5.00
Lost Contact (all or any part of) (per month)	\$ 5.00

CARD SERVICE

International Service Assessment	
- Multi-currency transaction	1.0%*
- Single-currency transaction	0.8%*
* Percentage of transaction value	
ATM Transactions	
- Frontwave Credit Union	FREE
- CO-OP	FREE
- Non CO-OP	\$ 1.50
Nonsufficient Funds (NSF) Fee-Item Paid	\$ 29.00

E-COMMERCE

Internet & Mobile Banking	FREE
Mobile Check Deposit	FREE
Online Bill Pay	FREE
Remote Transfers	
- Institution 2 Institution (Incoming)	FREE
- Institution 2 Institution (Outgoing)	FREE
- Person 2 Person (Outgoing)	FREE

The Schedule of Fees & Charges does not include fees that may be charged by a third party, also referred to as incidental fees.

EXHIBIT C



ACCOUNT DISCLOSURES & AGREEMENT
ELECTRONIC TRANSFERS – FUNDS AVAILABILITY – TRUTH IN SAVINGS – PRIVACY NOTICE
EFFECTIVE: July 2022

TERMS AND CONDITIONS OF YOUR ACCOUNT AGREEMENT – This Account Disclosures & Agreement ("Agreement"), along with any other documents we give you pertaining to your account(s), is a contract that establishes rules that control your account(s) with us. This Agreement covers your rights and responsibilities concerning your account and the rights and responsibilities of Frontwave Credit Union (Frontwave or Credit Union). If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. As used in this Agreement the words "we," "our," "us", "Frontwave" and "Credit Union" mean Frontwave Credit Union and the words "you" and "your" means anyone who signs a signature card, account change card, or any other account opening document, or for whom membership, and/or service requests are approved through the Credit Union's online authentication process. Unless it would be inconsistent to do so, words and phrases used in this Agreement should be construed so the singular includes the plural and the plural includes the singular. Your account type(s) and ownership features are designated by you on the Membership Signature Card or through Frontwave's online authentication process. If you sign the signature card or open or continue to have your account with us, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and Fees and Charges. This Agreement is governed by the bylaws of the Credit Union, federal laws and regulations, California laws and regulations, local clearinghouse rules, as amended from time to time.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT – To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, if applicable, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

WAIVER OF RIGHTS – We can delay enforcing any of the provisions under this Agreement or the law any number of times without losing our right to enforce them at a later date.

USE OF HEADINGS – Our use of headings or titles of the various sections and paragraphs in this Agreement are intended solely for convenience or reference and are not intended and shall not be deemed for any purpose whatever to modify or explain or place any construction upon any of the provisions of this Agreement.

MEMBERSHIP ELIGIBILITY – To join the Credit Union, you must meet the membership requirements, including purchase and maintenance of the minimum required share(s) (hereinafter membership share). You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts, products and services you request and for other accounts, products, or services we may offer you or for which you may qualify.

PERSONAL ACCOUNTS – If your account type is personal (individual or joint), you agree not to use it for business purposes. Ownership of your account is determined by the most current signature card. However, we are authorized to rely on the account ownership information contained in our system unless we are notified that the most current signature card and the system contains different information.

INDIVIDUAL ACCOUNTS – When only one person is listed as the owner of an account, we will treat the account as an individual account. If the account owner dies, the interest passes, subject to applicable law, to the account owner's estate or Payable on Death (POD) beneficiary/payee or trust beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death, any security interest or pledge granted by the account owner, and our statutory lien rights.

JOINT ACCOUNTS - If your account is owned jointly, then all funds on deposit are owned by any of the joint owners. We can release or pay any amount on deposit in a joint account to any owner. We can honor checks, withdrawals, orders or requests from any account owner. All account owners are liable to Frontwave for any overdrafts that may occur on an account, regardless of whether or not a benefit occurred. Any owner may provide Frontwave written notice to freeze funds on deposit and we may, at our option, honor such written request. If we do, then the account will remain frozen until we receive subsequent written notice signed by all owners of the account as to a disposition of funds on deposit. Any funds on deposit may be utilized to satisfy any debt or garnishment of any owners of the account. It is the responsibility of joint account owners to determine any legal effects of opening and maintaining a joint account.

TRUST ACCOUNTS – We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

TOTTEN TRUST ACCOUNTS – If two or more of you create this type of account, you own the account jointly with right of survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the funds at any time.

OTHER FIDUCIARY ACCOUNTS – If you open an estate account, trust account, guardianship or conservatorship account, or other similar type of account, we reserve the right to require any documents we reasonably request to satisfy us that you are authorized to open and use the account, including withdrawing the funds. We do not have to permit any withdrawal from the account until we receive all requested documents. We have no fiduciary duties to you as the trustee, executor, guardian or conservator, or to the beneficial owners of the account.

POD DESIGNATIONS - A Payable on Death (POD) designation is an instruction to Frontwave that an individual or joint account so designated is payable to the owner(s) during his, her, or their lifetimes and, when the last account owner dies, is payable to all surviving POD beneficiaries/payees. Unless state law provides for different ownership or as permitted and documented by us, the beneficiaries/payees will own the funds jointly in equal shares without rights of survivorship when there is more than one surviving beneficiary/payee. Such designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary/payee of the existence of any account nor the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law. This paragraph does not apply to an account held on behalf of or in the name of a trust.

FICTITIOUS BUSINESS NAME ACCOUNTS – If the name in which the account is held is fictitious, each account holder represents that one or more of the account holders have the right to use that name and have fulfilled all legal requirements for using and or doing business under that name.

KIDS/TEEN ACCOUNTS – A kids account is an account for children ages 0-17. The child must be the primary owner of the account and a parent or legal guardian must be on the account as joint owner. The Social Security Number of the child must be presented at the time the account is opened. An adult (person over the age of 18) must be joint owner on a Kids Account. The account is subject to certain restrictions as to services and products. The adult assumes all responsibility and is liable for the account. The parent or legal guardian/joint owner is responsible for any losses that may occur on the account. Minors will not be held responsible for any losses that may occur on the account. The adult owner must be cleared through ChexSystems in order to qualify for a checking account. The adult joint owner creating the account reserves the right to: (1) change beneficiaries, if so named, (2) change account types, and (3) withdraw all or part of the account funds at any time. The adult is the only one who can initiate the checking account and order or reorder checks. The adult owner is the only one who can initiate the VISA Debit/ATM Card order, establish or change the velocity, order or reorder any card/plastic. Once the minor reaches the legal age of 18, a new Member Signature Card shall be signed. In addition, the standard VISA Debit/ATM Card will be issued at the time the minor turns 18. The adult owner will continue to remain liable for all balances, transactions and fees associated with all related share, checking, or VISA Debit/ATM Card, as long as they are an owner on the account.

POD/BENEFICIARIES – If you establish your account with one or more beneficiaries, we will pay the beneficiaries in equal shares unless otherwise designated. If we receive proof that you've died, we will pay the balance of the account to the beneficiary/beneficiaries that you designated. Any POD designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary/payee of the existence of any account nor the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law.

POWER OF ATTORNEY – A power of attorney is a document you sign that authorizes someone else, called an agent, to act on your behalf. If you sign a power of attorney, the agent can sign on your behalf and do anything you could do regarding the account, including withdrawing or spending all of the money in the account. Do not sign a power of attorney unless you trust the agent to act in your best interest. If you choose to add an agent, you must provide a power of attorney form that we agree to accept. We may rely on a copy of an original power of attorney. We are not required to investigate the facts relating to any power of attorney provided to us on your behalf, including whether your signature on the power of attorney is authentic or whether the agent continues to have authority. We may follow or refuse to follow the agent's instructions at any time, including if we suspect fraud or abuse on your account, unless state law requires otherwise. We may also refuse an agent's request to become a joint owner or a beneficiary of an account, but we have no liability to anyone if we do so. We have no liability when we follow or refuse to follow any instructions from an agent, for example, if your agent misuses the authority you have given them. An agent's power of attorney on an account is terminated when the account owner dies.

ATTORNEY FEES/COLLECTION COSTS – As permitted by law, you agree to pay all our costs and reasonable attorneys' fees, including all collection costs, litigation costs, skip-tracing fees, and outside services fees incurred while we are enforcing our rights under this Agreement. Any legal process against the account(s) is subject to our lien and security interest.

LIABILITY – You agree, for yourself (and any joint owners, persons or entities you represent if you sign as a representative of another) to the terms of this Agreement and the Fees and Charges Schedule. Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to your account and agree that any such shortages can be deducted directly from the account balance whenever sufficient funds are available. This includes liability for our costs to collect the deficit amount including, to the extent permitted by law, our reasonable attorneys' fees.

TERMINATION OF MEMBERSHIP; LIMITATION OF SERVICES – You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all of your accounts. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and services without notice to you when your account is being misused; you have demonstrated conduct which is abusive in nature; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law.

UNJUST ENRICHMENT – The credit union has the right to reverse a transaction, take collection action or demand restitution when a member profits or is unjustly enriched at the expense of another, or at the expense of the credit union because of a clerical or system error. The member will be required to make restitution for the reasonable value of any cash, negotiable instrument, property, services or other benefits that have been unfairly received or retained.

DEPOSITS – We will give only provisional credit until collection is final for any items, other than cash, that we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions made by mail or through an outside depository channel until we actually record them. We will treat and record all transactions received after our "daily cut off time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

MOBILE/REMOTE DEPOSITS – Refer to or request a copy of Frontwave Credit Union's Remote Deposit Capture Services Disclosure for additional Terms and Conditions applicable to mobile/remote deposits.

UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES – You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.

STOP PAYMENTS – You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. Only the person who initiated the stop-payment order may make a release of the stop-payment request. Our stop-payment cutoff time is one hour after the opening of the next business day after the business day on which we receive the item. We will charge a fee for each stop payment order you give. See Fees & Charges Schedule. A stop-payment order is effective for six (6) months, but it lapses after fourteen (14) calendar days if the original order was oral and was not confirmed in writing within that 14-day period. The stop-payment order may be renewed in writing for an additional six (6) month period.

TELEPHONE TRANSFERS – You may transfer funds to and from accounts which you are an owner.

INACTIVE ACCOUNTS – If your account has had no activity for at least six (6) months, has less than a \$50.00 aggregate balance and you do not open any loans, it can be assessed an "Inactive Account Fee" as disclosed in Fees & Charges Schedule (or any part therein, if your account balance is below

the fee) each quarter, for as long as the account remains inactive. If your account reaches a zero balance, it will be closed. To reactivate your account and avoid the fee, please contact the credit union.

GATHERING OR UPDATING INFORMATION – As a member, you authorize the credit union to gather from time to time, whatever credit report, checking account and employment information about you or any other person named on your account, as permitted by law. You understand that this information will assist the credit union (for example) in determining your initial and ongoing eligibility for any accounts/services and/or in connection with making future credit opportunities available to you or any other person named on your account.

CONSENT TO CONTACT – When you check the box on the Membership Signature Card in the authorization section, you agree we and/or our third-party providers, including debt collectors, may contact you by telephone or text message at any telephone number associated with your Frontwave account(s), including wireless telephone numbers (i.e. cell phone numbers) which could result in charges to you, in order to service your account or collect any amounts owed to us. You further agree methods of contact may include use of pre-recorded or artificial voice messages, and/or use of an automatic dialing device. You may withdraw the consent to be contacted on your wireless telephone number(s) at any time by providing written notice to us at 1278 Rocky Point Drive, Oceanside, California 92056 or via phone at 760.631.4500 or by any other reasonable means. If you have provided a wireless telephone number(s) on or in connection with any account, you represent and agree you are the wireless subscriber or customary user with respect to the wireless telephone number(s) provided and have the authority to give this consent. You agree to notify us of any change to the wireless telephone number(s) which you have provided to us. In order to help mitigate harm to you and your account, we may contact you on any telephone number associated with your account, including a wireless telephone number to deliver to you any messages related to suspected or actual fraudulent activity on your account, data security breaches or identity theft following a data breach, money transfers or any other exigent messages permitted by applicable law. The contacts will be concise and limited in frequency as required by law. You will have an opportunity to opt-out of such communications at the time of delivery.

LIMITATION OF TIME TO COMMENCE ACTION – Any action or proceeding by you to enforce an obligation, duty or right arising under this agreement or by law with respect to your account or any account service must be commenced within one year after the cause of action accrues.

ACCOUNT TRANSFER – Your account may not be transferred or assigned without our prior written consent.

DIRECT DEPOSITS – If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from your account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

RIGHT TO REPAYMENT OF INDEBTEDNESS – You each agree that we may (without prior notice and when permitted by law) charge against and deduct from your account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accelerate under the note. In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accordance with the statutory lien. Neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising because of our exercise of our right to repayment.

NEGATIVE INFORMATION NOTIFICATION – Frontwave may report information about your loan, share, or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your account(s) may be reflected in your credit report.

SUSPENSION OF SERVICES – We have the right to suspend the benefit of any Frontwave service at any time for reasonable cause.

RESTRICTIVE LEGENDS – We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "Must be presented within 90 days" or "Not valid for more than \$1,000.00" or "Paid in Full."

OVERDRAFTS - An "Overdraft" occurs when there is not enough available balance in your account at the time a transaction is presented to us for payment. Overdrafts may be caused by checks, Automated Clearing House (ACH) payments, ATM withdrawals and transfers, bill payments, debit card payments and other electronic payments.

Should an overdraft occur and you have signed up for Overdraft Protection, then we will first attempt to authorize and pay the item by transferring funds to your Checking Account from an approved Overdraft Line of Credit, a Visa Credit Card account, or a Frontwave Savings Account. You will be charged fees for transfers from savings and interest on funds advanced from an Overdraft Line of Credit or Visa Credit Card account but Overdraft Protection is less expensive than paying fees for overdrafts as described next.

If you have not signed up for Overdraft Protection or funds are not available under the terms of your selected Overdraft Protection plan when a transaction is presented to us, then we may either reject the transaction or we may, at our discretion, elect to pay it using our Standard Overdraft Practices, which are called Courtesy Pay or Debit Card Protection. Courtesy Pay and Debit Card Protection are available up to specified limits, depending on the type of account you have with Frontwave.

Courtesy Pay applies when we pay overdraft checks, Automated Clearing House (ACH described below) transactions, bill pay and recurring debit card transactions. Debit Card Protection applies when we elect to pay overdraft nonrecurring or one-time debit card payment transactions and ATM withdrawals. Please note that [for consumer accounts] you must affirmatively consent to Debit Card Protection. Without your consent, we may not authorize one-time debit card transactions or ATM withdrawals that will result in insufficient available balance in your account.

If we authorize any type of payment transaction and there is insufficient available balance at the time it is posted to (paid from) your account, then we will charge you an Overdraft Fee. If we decline to pay a check, ACH or bill pay transaction, then the attempted payment will be returned unpaid and you will be charged a Returned Item (NSF) Fee. You will not be charged any fees if we decline to authorize a debit card payment or ATM withdrawal. Overdraft and Returned Item Fees are described in our Schedule of Fees and Charges, which is updated periodically and is incorporated into this Agreement.

Note: Check and ACH payment transactions that are returned unpaid may be presented to us again by a third party merchant for payment multiple times. You may be charged a Returned Item (NSF) Fee or Overdraft Fee each time a transaction is presented for payment, even if it was previously rejected and a fee was previously charged.

The following is important information regarding your account balances, how transactions are authorized and posted to your account, and when an Overdraft or Return Item (NSF) Fee will be charged. You should read these disclosures carefully. If you have questions, please see a branch representative or call 800.736.4500 or 760.631.8700.

Your Checking Account Balance. Your checking account has two balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, on our mobile banking app, at an ATM, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your actual balance is the full amount of all deposits, even though some portion of a deposit may be on hold and may not be available to you (see Your Ability to Withdraw Funds below), less payment transactions that have "posted" to and have been paid from your account. Thus, while the term "actual" may sound as though the number you see is an up-to-date display of what you can spend, that is not always the case. Any holds for purchase transactions, holds on deposits, or other checks, payments and fees that have not yet posted will not appear in your actual balance. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40. Your actual balance is the balance that appears on your periodic account statements.

Your available balance is the amount of money in your account that is available to you to use. The available balance is the actual balance less things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were to swipe your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment. In that case, we will reduce your available balance by \$20 because once we authorize the payment, we are obligated to pay. Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance also will be reduced by \$20.

We use available balance at the time transactions are presented to us to decide whether to authorize them for payment. We also use available balance **at the time transactions are posted and actually paid (not when they are authorized)** to decide whether to charge Overdraft Fees. The following example illustrates how this works:

Assume your actual and available balance are both \$100, and you swipe your debit card at a restaurant for \$60. As a result, your available balance will be reduced by \$60 so your available balance is only \$40. Your actual balance is still \$100. Before the restaurant charge is sent to us for posting, a check that you wrote for \$50 clears. Because you have only \$40 available (you have committed to pay the restaurant \$60), your account will be overdrawn by \$10, even though your actual balance was \$100. In this case, we may reject the check, in which case you will be charged a Return Item fee. If you are eligible for Courtesy Pay, then we may pay the \$50 check, but you will be charged an Overdraft Fee because your available balance was not sufficient at the time of payment to cover the check. **Also**, when the \$60 restaurant charge is later submitted to the Credit Union and posted to your account, you will not have enough money in your available balance because of the intervening check, and you will be charged a fee for that transaction as well, even though your available balance was positive when it was authorized.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all the outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and posted to your account.

In addition, your available balance may not reflect all of the debit card transactions we have authorized. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

How Transactions Are Posted To Your Account. There are basically two types of transactions in your account: credits or deposits of money into your account, and debits or payments out of your account. It is important to understand how each is applied to your account so that you know how much money is available to you at any given time. This section explains generally how and when we post transactions to your account.

Credits. Most deposits are added to your account when we receive them. For some checks you deposit, only \$225 will be made available at the time of deposit. There may be extended holds on checks for other reasons. For details on the availability for withdrawal of your deposits, see the Funds Availability section of this Agreement.

Debits. There are several types of debit transactions. The most frequent types of debit transactions are described generally below. Keep in mind that there are many ways transactions are presented for posting to your account by merchants, and the Credit Union is not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve System. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and posted to your account each day. We process check payments in check number order.
- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have signed up for. Each day, ACH transactions for your account are grouped together and in the order they are presented to us in each file.
- **ATM Withdrawals and Transfers.** Withdrawals from or payments you initiate through an ATM are posted to your account in real time when they are executed.
- **Point of Sale (POS) Debit Card PIN Transactions.** These are transactions where you use your debit card and you enter your PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from

your account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.

- **Signature Debit Card Transactions.** These are transactions where you make a purchase with your debit card that are processed through the Visa or MasterCard networks. You are typically asked to sign for these purchases like a credit card purchase. As described above, a merchant may seek prior authorization for a signature debit card transaction. When that happens, we generally reduce your available balance (but not your actual balance) by the amount authorized. We refer to this as an "authorization hold." Authorization holds are processed as received throughout the day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for posting to your account. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received. **Please note:** the amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if you use your card at a restaurant, a hold will be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you may have added to the bill. Conversely, a gas station, hotel or rental car company, or other retail establishments may seek authorization in excess of the final payment amount. We cannot control how much a merchant asks us to authorize, or when and in what amount a merchant submits a transaction for payment. The fact that we put an authorization hold on your available balance does not mean the authorization is set aside and made available to pay the specific transaction authorized. The hold is simply a reduction in your available balance based on the fact that we have authorized a transaction and the Credit Union is therefore obligated to pay it when presented.
- Debit card transactions can be recurring or nonrecurring. Recurring transactions are where you use your debit card to set up a recurring monthly payment, such as a gym membership. Nonrecurring transactions are one time transactions that are authorized each time you use your debit card. Using your debit card at a restaurant is an example of a one-time or nonrecurring transaction. We will rely on how the merchant characterizes the transaction for purposes of processing it and your only recourse for an improperly coded transaction is with the merchant who submitted it to us.

This is a general description of how certain types of transactions are posted. These practices may change and we reserve the right to pay items in any order we chose as permitted by law.

We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one Overdraft or Returned Item Fees if we pay multiple transactions when your account is overdrawn. You can be charged at most five Overdraft and/or Returned Item Fees per calendar day.

The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely. IF YOU DO NOT UNDERSTAND THIS AGREEMENT OR HAVE ANY QUESTIONS, PLEASE CONTACT US AT 800.736.4500 or 760.631.8700.

We will decide to pay overdrafts on a case-by-case basis, in our sole and absolute discretion. Even though we may have paid Overdrafts in the past, we are not obligated to continue doing so.

For your overdrafts cleared, you promise to immediately pay us all sums, including the fees and charges for this service advanced to you or any other person you permit to use your checking account and/or who causes an overdraft on your checking account.

We may terminate or suspend the Courtesy Pay and/or Debit Card Protection services at any time without prior notice. In no event shall any termination of these services relieve you of your obligation to repay the amount of any overdraft in your account plus Courtesy Pay and Returned Item Fees.

PLEDGES – Unless we agree otherwise in writing, each owner of your account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

ACH AND WIRE TRANSFERS – This Agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the State of California. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by National Automated Clearing House Association (NACHA) rules. These rules provide, among other things, that payments made to you or originated by you, are provisional until final settlement is made, as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

FACSIMILE SIGNATURES – You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

ELECTRONIC/DIGITAL SIGNATURES – As a service and convenience, we may accept your electronic/digital signature to conduct credit union related business such as opening a membership account or applying for a loan online. However, your rights to NOT USE electronic signatures will be preserved. You reserve the right to use a paper or "wet ink" signature. We must also receive your affirmative consent electronically in a manner that reasonably demonstrates that you can provide and access information in the electronic form that will be used to provide the information that is the subject of consent. All required disclosures must be provided in a manner that complies with regulatory mandates. Frontwave Credit Union is required to retain a record and retain a copy of the application, transaction or document that "accurately reflects" the substance for which you are providing your electronic/digital signature therein, and is in a form that is capable of being accurately reproduced for later reference, whether by transmission, printing or otherwise.

BUSINESS DAYS– Every day is a business day except Saturday, Sunday, and holidays.

NOTICE OF ATM/NIGHT DEPOSIT – FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful:

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Do not leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your VISA Debit/ATM card to anyone.
5. Remember; do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your VISA Debit/ATM card as though it were cash. Don't tell anyone your PIN. Do not give anyone information regarding your VISA Debit/ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Do not write your PIN where it can be discovered. For example, do not keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your VISA Debit/ATM card or if it is stolen, promptly notify us. You should consult the other disclosures in this Agreement you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you do not know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

ARBITRATION – You and the Credit Union agree that we shall first attempt to informally settle any and all disputes arising out of, affecting, or relating to your accounts, or the products or services the Credit Union has provided, will provide or has offered to provide to you, and/or any aspect of your relationship with the Credit Union (hereafter referred to as the "Claims"). If that cannot be done, then you agree that any and all Claims that are threatened, made, filed or initiated after the Effective Date (defined below) of this Arbitration and Waiver of Class Action provision ("Arbitration Provision"), even if the Claims arise out of, affect or relate to conduct that occurred prior to the date the Terms and Conditions were provided to you, shall, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at www.adr.org; or, a copy of the Rules can be obtained at any Credit Union branch upon request. Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim, by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. As a result if either you or we elect to resolve a particular claim through arbitration, you will give up your right to go to court to assert or defend your rights under this Account Agreement (except for claims brought individually within small claims court jurisdiction, so long as the claim remains in small claims court). This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue. This Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity from seeking relief on your behalf. This Arbitration Agreement shall not apply to claims that are initiated in or transferred to small claims court.

- a. Selection of Arbitrator.** The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules, and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claims, and if you and we do not agree on a substitute forum, then you can select the forum for the resolution of the Claims.
- b. Arbitration Proceedings.** The arbitration shall be conducted within 50 miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted in court can be asserted in the arbitration. The Arbitrator shall be entitled to award the same remedies that a court can award, including injunctive relief. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The Arbitrator's award can be entered as a judgment in court. Except as provided in applicable statutes, the arbitrator's award is not subject to review by the court and it cannot be appealed. The credit union shall pay for any filing, administration, and arbitrator fees imposed on you by the AAA. However, you will be responsible for your own attorneys' fees. Nothing contained in this Arbitration Provision shall prevent either You or the credit union from applying to any court of competent jurisdiction for emergency provisional relief, such as a temporary restraining order, a temporary protective order, an attachment or any other pre-judgment remedies. Any determination as to whether this Arbitration Provision is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined exclusively by the Court.
- c. Class Action Waiver.** Any arbitration of a Claim will be on an individual basis. You understand and agree that you are waiving the right to participate as a class representative or class member in a class action lawsuit or bring a Claim on behalf of any other persons or a class.
- d. Severability.** In the event the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions shall remain fully enforceable.

FOR MORE DETAILS or if you have questions, you may call us or visit a branch. If you have questions about AAA procedures, please visit AAA's website, www.adr.org or call AAA at (800) 778-7879.

CHANGE IN TERMS. We may change the terms and charges for the services shown in this Agreement and may amend this Agreement from time to time.

GOVERNING LAW — Except as provided in the Arbitration Provision of this agreement, this Agreement is governed by Frontwave's bylaws, federal laws and regulations, California state laws and regulations, and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which Frontwave is located.

SEVERABILITY - Except as provided in the Arbitration Provisions set forth in the Arbitration clause of this Agreement, if a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

ELECTRONIC FUND TRANSFERS (EFTs) – If approved, you may conduct one or more EFTs offered by us. The Electronic Fund Transfers section covers the rights and responsibilities concerning the electronic fund transfers (EFT) services offered to you by us. By signing an application or account card for EFT services, signing your card, or using any service, each account owner, agrees to the clauses below and any amendments for the EFT services offered. Electronic Fund Transfers are electronically initiated transfers of money from your account through any of the EFT services mentioned below.

EFT's initiated By Third Parties. You may authorize a third party to initiate an EFT between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences, or may be recurring as directed by you. These transfers may use the Automated Clearing House (ACH) or other payment networks. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an EFT or to electronically pay a returned check or draft charge, can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third-party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these EFT's. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may arrange for certain direct deposits to be accepted into your checking or savings account(s).
- **Preauthorized payments.** You may arrange to pay certain recurring bills from your checking or savings account(s).
- **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.
- **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

Express Line. You may access your account by telephone 24 hours a day at 760.631.8799 or 800.829.7676 using a touch-tone phone, your account numbers, and your access code, to conduct various inquiries and transactions on your accounts to include consumer payments or transfers among your credit union accounts. A full listing of Express Line functions and limitations is provided in a separate Express Line brochure.

ATM Transfers. Types of transfers, dollar limitations, and charges – You may access your account(s) by ATM using your VISA Debit/ATM card and personal identification number to:

- get cash withdrawals from checking or savings account(s)
- make deposits to checking account(s)
- withdraw no more than \$800.00 per 24-hour period
- make deposits to savings account(s)
- transfer funds from savings to checking account(s)
- get information about the account balance of your checking account(s)
- transfer funds from checking to savings account(s)
- get account balance of your loan account(s)

There is a fee per transaction or inquiry made at ATMs that we do not own or operate (See current Schedule of Fees and Charges). Thus, you may be charged a balance inquiry fee and a withdrawal fee at an out-of-network ATM even though you only used your debit card once at the ATM. Some of these services may not be available at all terminals:

Types of ATM Point-of-Sale (POS) Transactions. You may access your checking account(s) to purchase goods (in person), pay for services (in person), and get cash from a merchant, if the merchant permits, or from a participating financial institution.

Point-of-Sale Transactions (POS) - Dollar Limits and Charges. Using your **PIN based** VISA Debit/ATM card, you may not exceed \$3000 in transactions per 24-hour period. There is no fee for transactions conducted at any **POS** we do not own or operate. However, transactions conducted at an **ATM** we do not own or operate, may be charged a fee. Any **Non-PIN based** VISA Debit/ATM card transaction has a daily limit of \$5000. **Non-PIN based** VISA **Credit** card transactions have a daily limit based on available credit limit.

Types/Limit of Debit Card Point-of-Sale Transactions. You may access your checking (share draft) account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept. The number of POS transactions within a 24-hour period is limited to twenty (20).

Foreign Transactions and Charges. Transactions made in foreign countries will be billed or debited in U.S. dollars. The conversion rate in U.S. dollars will be at either the government-mandated rate or a wholesale currency market rate for the processing cycle in which the transaction is processed. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. The currency rate used by the card processor is the rate for the applicable currency on the date the transaction occurred. In some limited situations, where there may be a delay, the currency conversion rate may be on the date the transaction is processed.

See the current Fees & Charges Schedule for the fee that will be charged on all foreign transactions. All fees are calculated based on the transaction amount after it is converted to U.S. dollars and are charged except where excluded. Transactions completed by merchants outside of the United States are considered foreign transactions, regardless of whether you are located inside or outside the United States at the time of the transaction.

Online Banking Computer Transfers - Types of transfers. You may access your account(s) by computer using your access code and your account numbers, to:

- transfer funds from checking to checking
- transfer funds from savings to checking
- make payments from checking to loan accounts
- make payments from savings to loan accounts
- make payments from checking to third parties with Online Bill Pay, P2P
- deposit checks
- transfer funds from checking to savings
- transfer funds from checking to money market
- transfer funds from money market to any other account
- transfer funds from savings to money market
- transfer funds from line of credit to checking
- transfer funds from savings to savings

Get information about:

- account balances and loan information
- deposits, withdrawals and other account transaction history

Frontwave Mobile Banking Transfers – Types of transfers. You may access your account(s) through a mobile access device (i.e., cell phone, tablet) by using your access code and your account numbers, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from checking to money market
- transfer funds from savings to checking
- transfer funds from savings to savings
- transfer funds from savings to money market
- transfer funds from line of credit to checking
- transfer funds from line of credit to savings
- transfer funds from money market to any other
- make payments from checking to loan accounts with us
- make payments from savings to loan accounts with us

Access codes issued to you are for your security purposes. Any access codes issued to you are confidential and should not be shared or disclosed.

You are responsible for safekeeping your access codes.

FEES – We do not charge for direct deposits to any type of account. We do not charge for preauthorized payments from any type of account. Except as indicated elsewhere, we do not charge for these EFTs.

ATM Operator/Network Fees – When you use an ATM not operated by us, the ATM operator or any network used may charge you a fee (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer). You may be charged multiple fees for multiple transactions during the same session (balance inquiry and cash withdrawal).

DOCUMENTATION –

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an ATM or POS terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account you can call the Express Line at 800.829.7676, or access your account at frontwavecu.com to find out whether or not the deposit has been made.
- **Periodic statements.** You will get a monthly account statement from us for your checking account and savings account, unless you have no other account with us and there were no EFT's or deposits during the monthly period. At a minimum, you will receive a statement quarterly.

PREAUTHORIZED PAYMENTS –

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:
- Call us at 800.736.4500 or write us at 1278 Rocky Point Drive, Oceanside, California 92056 in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) days after you call. We will charge a fee for each stop-payment order you give (See current Schedule of Fee and Charges).
- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay is required to tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If through no fault of the Credit Union, you do not have enough money in your account to make the transfer.
- (2) If you have overdraft protection and the transfer would exceed your overdraft protection limit.
- (3) If the ATM where you are making the transfer does not have enough cash.
- (4) If the ATM or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

UNAUTHORIZED TRANSFERS (a) Consumer liability.

- **Generally.** Tell us AT ONCE if you believe your card and/or personal identification number and/or password has been lost or stolen. Telephoning is the best way of limiting your possible losses. You may contact us at 800.736.4500 or you may block your card twenty-four (24) hours a day, seven (7) days a week via the Express Line at 800.829.7676. If you tell us within 2 business days after you learn of the loss or theft of your card and/or personal identification number and/or password, you can lose no more than \$50 if someone used your card or code without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card and/or personal identification number and/or password, and we can prove that we could have stopped someone from using your card and/or personal identification number and/or password without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by your card and/or personal identification number and/or password or other means, tell us at once.

Your Liability for Lost, Stolen or Unauthorized Transactions Involving Automated Teller Machine (ATM) Cards

Tell us AT ONCE if you believe your ATM and/or Personal Identification Number (PIN) has been lost or stolen, or if you believe that an electronic transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit if you have one with us). If you tell us within two (2) business days, you can lose no more than \$50 if someone used your ATM Card or PIN without your permission. If you DO NOT tell us within two (2) business days after you learn of the loss or theft of your ATM Card or PIN, and we can prove that we could have stopped someone from using your ATM Card or PIN without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods. If you have authorized someone else to use the ATM Card and/or PIN, you are responsible for all transactions that person or persons initiates at any time, even if the amount or transactions exceed what you may have authorized.

Your Liability for Lost, Stolen or Unauthorized Transactions Involving Debit Cards

Tell us AT ONCE if you believe your Debit Card and/or Personal Identification Number (PIN) has been lost or stolen or if your statement shows an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit if you have one with us). If you tell us within 60 days of our sending your statement, you can lose no more than \$50 if someone used your debit card without your permission. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the close of the 60 days and before notice to us. If your delay in notifying us was due to extenuating circumstances beyond your reasonable control, including extended travel, your or a member of your family's death or serious illness, hospitalization, permanent mental impairment or serious physical impairment, unless the circumstance did not reasonably contribute to your delay in notifying us within the 60-day period, we will extend the 60 day period by a reasonable period.

Special Notice to Visa® Debit Cardholders

If there is an unauthorized use of your Visa Debit Card or a Plus network or Interlink transaction, and the transaction takes place on the Visa network, then your liability will be zero (\$0.00). This provision limiting your liability does not apply to Visa Corporate Card Transactions, Visa Purchasing Card Transactions, Anonymous Visa Prepaid Card Transactions, ATM cash disbursements processed on non-Visa or non-Plus networks, or non-Visa PIN-less debit transactions. Additionally, your liability with respect to unauthorized transactions may be greater than the above zero (\$0.00) liability limit, to the extent allowed under applicable law, if the credit union reasonably determines, based on substantial evidence, that you were negligent or fraudulent in the handling of your account or Card. In any case, to minimize your potential liability you should notify us of any unauthorized use no later than 60 days after your statement was mailed to you.

ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, call us at 800.736.4500 or write us at 1278 Rocky Point Drive, Oceanside, California 92056 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt.

We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared. If you tell us orally, we require that you send us your complaint or question in writing within 10 business days.

- (1) Tell us your name and account number (if any).
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

We will determine whether an error occurred within 10 business days for Debit Card point-of-sale transactions processed by VISA and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will "provisionally" credit your account within 10 business days (5 business days for Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within 3 business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

FRONTWAVE CREDIT UNION CARD SERVICES CONTACT INFORMATION – 1278 Rocky Point Dr., Oceanside CA 92056 - Phone: 866.309.4934 domestic or 303.967.1096 international

FUNDS AVAILABILITY NOTIFICATION - The below statements applies to all accounts. Our policy is to make funds from your cash and check deposits available to you immediately. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit. We will generally make funds from your deposited checks available to you sooner than we are able to collect the funds for that check. In some cases, checks you deposit may be returned unpaid. You are responsible for your deposits, even if we previously made those funds available to you and you withdrew them. If a check you deposited is returned unpaid for any reason, you will have to repay us and we may assess a returned item fee as set forth in our Fees and Charges Schedule, even if doing so causes your account to become overdrawn.

For determining the availability of your deposits, our business days are every day except Saturday, Sunday, and holidays. If you make a deposit on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 5:00 or on a day we are not open, we will consider that the deposit was made on the next business day we are open. Please visit our website at frontwavecu.com for specific branch hours. If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be made available in the same manner as if the deposit had been made into your account.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will be available on the second business day after the day of deposit, except that U.S. Treasury checks that are payable to you will be available on the first business day after the day of deposit. Also, the first \$225 of a deposit will be available on the first business day after the day of deposit. Checks drawn on Frontwave Credit Union will be available on the first business day after the day of deposit if the deposit is made at an ATM located on our premises. Funds from any deposits (cash or checks) made at ATMs we do not own or operate will not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. The requirement to make the first \$225 of daily deposits available on the business day following the day of deposit does not apply to deposits made at ATMs we do not own or operate. ATMs that we own or operate are identified as our machines.

LONGER DELAYS MAY APPLY

Case-by-case delays. In some cases, we will not make all of the funds that you deposit by check available to you immediately. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. However, the first \$225 of your deposits will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available immediately, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made working directly with one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds would be available before you make a deposit.

Safeguard exceptions. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on anyone day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the eleventh business day after the day of your deposit.

One-Day Extensions: Frontwave may extend, by one business day, any of the holds described. If an extension of one day is deemed appropriate, Frontwave must make available \$450 of the held deposit not later than 5:00pm PST of the day funds would have been made available according to the dollar amounts outlined above. The \$450 is in addition to the \$225 required to be made available the business day following the day of deposit.

SPECIAL RULES FOR NEW ACCOUNTS – If you are a new member, the following special rules will apply during the first thirty (30) days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, travelers, and federal, state and local government checks will be available immediately if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit. Funds from all other check deposits may be subject to extended holds that will delay availability.

TRUTH-IN-SAVINGS DISCLOSURE

RATE INFORMATION — Please see our Rate Schedule for our current rate information. To obtain another copy, visit our website at frontwavecu.com or call us at 800.736.4500. The dividend rate and annual percentage yield may change at any time, as determined by the credit union Board of Directors. The annual percentage yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period.

COMPOUNDING AND CREDITING – Dividends will be compounded every month. Dividends will be credited to your account every month.

DIVIDEND PERIOD - The dividend period is monthly, unless indicated otherwise. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31. If you close your share account before dividends are paid, you will not receive the accrued dividends.

ACCOUNT TRANSACTION LIMITATIONS — None, unless indicated by product below.

FEES — See separate Fees & Charges for a listing of fees and charges applicable to your account(s) unless indicated below.

DAILY BALANCE COMPUTATION METHOD – Dividends are calculated by the daily balance method that applies a daily periodic rate to the balance in the account each day.

ACCRUAL OF DIVIDENDS ON NONCASH DEPOSITS – Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Specific Terms Applicable to Share/Savings (including Teen & Kids) Accounts

Variable Rate Information. This Account is subject to a Variable Rate. For the current dividend rate and corresponding APY, refer to the separate account disclosure rate supplement, Rate Schedule.

Minimum Balance Requirements. The minimum balance required to open this Account is \$5. There is no minimum balance required to earn dividends.

Specific Terms Applicable to Primary Checking & Teen Checking Accounts

Dividend Information. No dividends are paid on this Account.

Minimum Balance Requirements. There are no minimum balance requirements for this Account.

Specific Terms Applicable to Dividend Checking Accounts

Variable Rate Information. This Account is subject to a Variable Rate. For the current dividend rate and corresponding APY, refer to the separate account disclosure rate supplement, Rate Schedule.

Minimum Balance Requirements. \$1500 daily balance required to earn dividends.

Fees and Charges. This account may be subject to a \$5 monthly service fee if the minimum daily balance is not maintained.

Specific Terms Applicable to Money Market Accounts

Variable Rate Information. This Account is subject to a Variable Rate. For the current dividend rate and corresponding APY, refer to the separate account disclosure rate supplement, Rate Schedule.

Minimum Balance Requirements. The minimum balance required to open this Account is \$2,500. There is no minimum balance required to earn dividends.

Specific Terms Applicable to IRAs

Variable Rate Information. This Account is subject to a Variable Rate. For the current dividend rate and corresponding APY, refer to the separate account disclosure rate supplement, Rate Schedule.

Minimum Balance Requirements. The minimum balance required to open this account is \$50.00. There is no minimum balance required to earn dividends.

Transaction limitations. You may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephonic order or instruction, or similar order to a third party.

Specific Terms Applicable to Certificates of Deposit

Minimum Balance Requirements. The minimum balance required to open a Share Certificate account is \$1,000.00. You must maintain a minimum daily balance of \$1,000.00 in your account each day to obtain the disclosed annual percentage yield.

General transaction limitations. After the certificate account is opened, you may not make deposits to the certificate account during the term, unless the type and term of the certificate, allows you to make additional deposits. You may NOT make withdrawals of principal from your certificate account before maturity. Withdrawal of principal will require closure of the certificate. You can only withdraw dividends credited during the term and/or before maturity of the certificate account without penalty. You can withdraw dividends anytime during the term after dividends have been credited to the certificate account.

Time requirements. Your certificate account will mature as noted in the written Certificate Receipt provided to you when you open the certificate.

Specific Terms Applicable to Saver's Certificates

Minimum Balance Requirements. The minimum balance required to open a Saver's Certificate account is \$100.00. The maximum to open a Saver's Certificate is \$500.00. The minimum monthly deposit for the Savers Certificate is \$10.00 per month, the maximum monthly deposit to a Saver's Certificate is \$500.00. You must maintain a minimum daily balance of \$100.00 in your account each day to obtain the disclosed annual percentage yield.

Time requirements – Your certificate account will mature as noted in the written Certificate Receipt provided to you upon opening.

EARLY CERTIFICATE WITHDRAWAL PENALTIES – A penalty may be imposed for certificate accounts that are withdrawn before maturity. The penalty that may be imposed can be the greater of:

- seven (7) days dividends, on the amount withdrawn subject to penalty, if the withdrawal is made within the first six (6) days after the account is opened or renewed, or

- a dividend penalty based on the date of early withdrawal, the term of the certificate and the type of certificate. Specific penalty information is available on your Certificate Receipt.

Exceptions to Penalties. In certain circumstances such as the death or incompetence of an owner of the Certificate Account, the law permits, or in some cases requires, us to waive the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

Withdrawal of dividends prior to maturity. The annual percentage yield is based on an assumption that dividends will remain in the account until maturity. A withdrawal during the term of the certificate will reduce earnings.

Automatically renewable account. Certificate Accounts will automatically renew at maturity unless the type and terms of the Certificate Account state otherwise. You may prevent renewal if we receive written notice from you before maturity of your intention not to renew or you withdraw the funds in the Certificate Account at maturity. If you prevent renewal, dividends will not accrue after final date of maturity. Certificate Accounts that renew automatically will have the same terms as the original Certificate Account terms, beginning on the maturity date. The dividend rate will be the current rate being offered for the same type, terms and other features as the original Certificate Account, unless stated otherwise. There is grace period of seven (7) calendar days after the date of maturity to withdraw the funds in the account without being charged an early withdrawal penalty.

Your account may be subject to various service fees and charges, which was provided to you at the time you opened your account. These fees and charges are subject to change. The current Fees & Charges Schedule is available at frontwavecu.com or by calling 800.736.4500, or writing us at 1278 Rocky Point Drive, Oceanside, California 92056.

FRONTWAVE CREDIT UNION
1278 Rocky Point Dr.
Oceanside, CA 92056

800-736-4500	Member Solution Center	Toll Free	Mon – Fri 7am – 6pm Sat 9am – 4pm
760-631-8700	Member Solution Center	Local	Mon – Fri 7am – 6pm Sat 9am – 4pm
800-829-7676	Express Line	Automated	24/7
760-631-8799	Express Line	Local Automated	24/7
844-699-2102	Bill Pay Support line	Automated	
866-309-4934	Visa Card Support	Domestic	24/7
303-967-1096	Visa Card Support	International	24/7

Federally Insured by NCUA.

