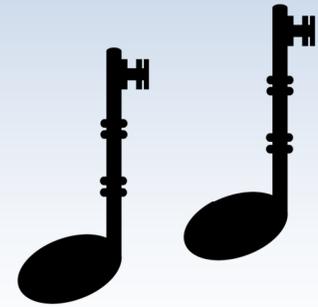


KeyNotes



Southern Hospitality

A new class has been added to the KeyStone curriculum over the last quarter, though it's only taught internally to our staff. It's called "Southern Living", and it helps our team learn a number of important skills for our upcoming projects: the proper use of "y'all" in a sentence, barbecue-based geography (including varieties of dry rubs and wet sauces for advanced learners), and of course a grounding in the history and tradition of college football.

The course was a natural addition, as Corelation's Southern presence is expanding once again this quarter as we welcome two new credit unions to the family. Converting in the 2nd quarter next year will be SPCO CU from Houston, TX (\$38 million assets; 5,100 members). SPCO will be supported by the WRG Service Bureau environment, the fifth credit union to take advantage of the supported environment to date.

CEO Tim Adams is looking forward to the switch to the new and ever-improving KeyStone platform for its flexibility and functionality. "We chose Corelation as our new core processor after an exhaustive search. When we compared the KeyStone software against several other core processing systems it exceeded all of our expectations and desires. The KeyStone platform offered the desired flexibility to add third party providers, yet was complete enough to limit our third party needs. I would like to commend the Corelation staff for their consultative low-key approach. I would highly recommend contacting Corelation if a credit union is exploring a change in core processing platforms."

(Continued on Page 2)

Contents

Special Interest Articles

Southern Hospitality	1-2
A Simple Strategy for Growth	3

Quarterly KeyNotes

A Note From the Editor	2
About Corelation, Inc.	3
A Note From the President	4
Contact Info	4



A Note From the Editor

As you'll see in our Note From the President on Page 4, Corelation has partnered with a wonderful grassroots organization called the National Youth Involvement Board (NYIB). During their annual conference, my colleagues Ashley Fugelsang, Drew Dizon, and I were fortunate enough to attend a number of sessions espousing a variety of ways to extend the reach of credit unions into the Millennial Generation.

The sessions went beyond the superficial aspects of the youth involvement challenge, as organizers and attendees alike seemed dissatisfied with a standard, content-driven approach to incenting young people to consider credit unions for their financial needs. Instead, discussions and lectures focused on concepts of design, of delivery, and of dedication to results.

However, the highlight of the conference for me came in its closing event, a dinner cruise around the harbor. While the cruise itself was lovely, the real joy came in seeing the enthusiasm and the appreciation as the year's organizers recognized the NYIB's top performers in an awards ceremony. I'm not sure which was more impressive: the quality of the people choosing to devote their time and energy to financial education, or the sheer volume of their efforts' impact.

I hope you've enjoyed this issue of our newsletter, and as always I want to thank you for your support of Corelation as we grow and continue to develop KeyStone. If you have any questions or comments, please feel free to reach me at rlandis@corelationinc.com.

- Rob Landis
Director of Client Services and
Education

Once SPCO is converted and settled on their new software, the implementations staff can take an easy ride along the 10E to the 65N to arrive in beautiful Montgomery, AL, as our next project will be to guide the transition for Alabama State Employees CU (\$212 million assets; 27,500 members). We'll be proud to bring ASE CU on board in the 3rd quarter of 2014.

The CEO of Alabama State Employees, Ned McHenry, decided to make the move to Corelation with his eye on the horizon. As he phrased it after putting pen to paper on the new contract, "ASE Credit Union is excited about moving into the future with a partnership with Corelation. KeyStone's cutting edge software will allow ASE to provide our members the best possible service and products for many years to come."

"KeyStone offered the desired flexibility to add third party providers, yet was complete enough to limit our third party needs." – Tim Adams, CEO of SPCO CU

Corelation is determined to reward the faith these credit unions have placed in our abilities. KeyStone is certainly well-prepared to handle the needs of the users at SPCO and ASE, and especially to redefine their standards for member service with the benefit of a Person-centric model at their fingertips. Development of new features and enhancements never ceases, and given the underlying architecture's flexibility and open design, the possibilities for those developments are boundless.

With the addition of these new partners in the industry, it was obvious we needed to add the new course to our internal education. Sure, KeyStone supports memberships as far north as the 57th parallel, but these signings are indicative of our recent surge in the South. SPCO represents our third client in Houston alone, and Alabama State Employees joins our partners in nearby Georgia and Tennessee. We are truly looking forward to working with our new clients to ensure their conversions onto KeyStone are smooth, that their processes are made more efficient, and that their members are given the very best service in the industry. And hopefully, if we work hard enough, we may get to sample a little of that famed Southern hospitality.



A Simple Strategy for Growth

The First Secretary of State for Great Britain, William Hague, was asked recently about how best to stimulate his country's economy. Without getting into the underlying politics, his answer reflects a core belief here at Corelation about our own development: "There's only one growth strategy: work hard." With that credo as our guiding light, we have made great strides in our brief history, and this quarter has provided a few opportunities to gauge our rate of growth and the success of our dedication and diligence.

An obvious indicator of a company's growth is the expansion of its work force, and Corelation has certainly seen its numbers swell to meet growing demand for our services. In the year since our last update, every department has welcomed experienced, quality professionals dedicated to the success of our partners and their members.

- Tim Maron, Director of Business Development, provides his insight and vision for the industry, and his department now boasts the talents of Gregg Bachelder, a 28 year credit union veteran.
- Conversion Services can rely on Drew Dizon, Product Manager, and the experience of dozens of the conversions he has overseen in order to support larger and overlapping implementations projects.
- Education and Client Services now draws on the decades of education experience Larry Rinehart brings to bear, as well as the talents and front office expertise of Taylor Rutledge, as Education Specialists.
- Most recently, the Development department has added Rob Nazimowitz, leveraging his 15 years of programming background to continue the enhancement of KeyStone's capabilities.
 - For more information on each of these professionals, please visit www.corelationinc.com/bios.html

With the addition of all these new faces has come the challenge of expanding and organizing our office. While we haven't been forced to relocate as we were a year ago, we have undergone a transformation of the existing space to accommodate our newest Corelatives, as well as to ensure opportunities for growth in the near future.

Finally, just as our organization has grown over time, the KeyStone system has been steadily expanding its skill set. Existing functionality has been enhanced through collaboration with our industry partners, both within the client base and in the realm of third party providers. New functionality has moved from dream to design to development to deployment, elevating each credit union's ability to efficiently serve their members.

Growth like that occurring within our walls is certainly a pleasure to experience. It speaks to the realization of our vision for this industry, validation of the notion that credit unions are ready for a new product instead of a redesign, a new standard for service instead of the same treatment. Corelation was founded through the very act of embracing a steep challenge from the industry, so the challenge of sustaining and stabilizing growth is welcome. But beneath it all, there's only one strategy on which we can rely to continue our ascent. If you'll excuse me, I need to get back to work...



About Corelation, Inc.

Based in San Diego, CA, Corelation is the innovative new core processor for today's credit union. This solution is a person-centric system that empowers credit unions to offer the best member service possible, enhancing their value for member attraction and retention. In terms of industry experience, Corelation's staff have dedicated their careers to creating core systems and providing unparalleled client service.

Corelation got its start when principal architect John Landis attempted to retire from the industry after 25 years. However, his passion for the creation of efficient software never left him, and the emergence of new technologies that would allow ever more elegant solutions to be designed represented an irresistible challenge. Over years of research and development, KeyStone was molded and enhanced into its current form, and the Corelation team was assembled from some of the finest minds in the industry.

For more information on Corelation, Inc, please visit our website at www.corelationinc.com.



Corelation, Inc.

2878 Camino Del Rio South, Suite 410
San Diego, CA 92108
619-876-5074
info@corelationinc.com

Reputation, Relationship, Results

Find us on the Web:
www.corelationinc.com



A Note From the President

Each year we hear industry analysts and prognosticators claiming that the sky is falling on the credit union industry for various reasons. One of the loudest alarms has been raised as a result of the shift in demographics by the average credit union member. We all know the story: the average age of membership has risen to its current value of around 47 years old, while the primary borrowing years for Americans is between 25 and 44. As a result, credit unions are missing out on the lending opportunities that are the foundation of their growth and success, and therefore of their ability to improve the products and services for borrowers and savers alike.

Clearly, for the health of the movement, this cycle needs to be broken. Typically this leads to a follow-up from these same analysts and prognosticators in which they offer up the clear solution: attract more young members. Seems simple enough, until you dig even one step deeper and ask the underlying question, "How can credit unions attract young members?" There are myriad answers to this question, with varying levels of truth to them.

Many proposed solutions to this systemic need involve products and services built to meet the technological standards expected by today's youth – eBranch capabilities; Remote Deposit Capture; automated Notifications by email, text, or even tweet; and financial access through every kind of gadget or gizmo on the market. As a company brimming with modern technology and designed explicitly to make these kinds of products easier to integrate, Corelation clearly supports these efforts.

However, even having agreed to the concept of leveraging technology to attract a younger crowd, I believe the most important step we can take as an industry to respond to this important issue lies even deeper than new offerings within the credit union. I believe our strongest efforts instead need to be applied to the offering of the credit union itself. My family is clearly well-versed in the benefits of the credit union movement, as I'm sure is yours. But I would venture that not far from your kitchen table lies the border beyond which you'll find a lack of understanding of what credit unions are, how they operate, and most importantly *why* they do what they do.

I've described my passion for the social good that can come from our industry in this space before, and I am excited to have identified and partnered with an organization that not only shares that passion, but that *acts* on it. This year, Corelation was proud to sponsor the Annual Conference of the National Youth Involvement Board, a group of talented, fervent, and (yes) young people who are dedicated to educating America's youth on financial literacy, community responsibility, and the opportunity to combine the two at a local credit union. While the July conference served as an opportunity for these credit union enthusiasts to come together and share their strategies and programs, the real work is done year-round in classrooms, churches, and after-school programs across the country.

I am personally and professionally excited to be associated with these fine people, and I encourage all of you who support this wonderful experiment in community-based financial services we call an industry to give your support as well.

Sincerely,

Theresa Benavidez,
President, Corelation Inc.