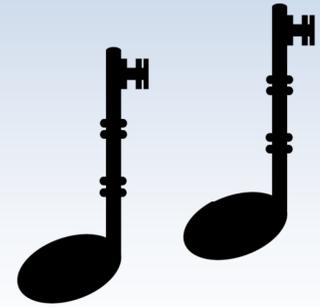


KeyNotes



Ahead of the Curve

There is a traditionally accepted bell curve model for how consumers accept a new product or technology. This “Innovation Adoption Lifecycle” holds that the first 2.5% of a given population that are willing to try out something brand new are the Innovators, and the next 13.5% are the Early Adopters. The implementation of the KeyStone platform has followed this model to date – it won’t be long until we reach the mainstream, but we admit we’re not quite there yet – and along the way we’ve found that this transition into the second group has occurred regionally. In other words, once an Innovator has converted to our system and found success, a few Early Adopters in their area have taken notice and followed suit. That dynamic has shaped our most recent partnerships, as the 3rd Quarter of 2014 has seen us expand our usage in both Houston, TX and right here in San Diego, CA.

The Lone Star State is home to InvesTex Credit Union (\$178m Assets; 28,000 Members), which has committed to convert to the KeyStone platform in the 1st Quarter of 2016. This institution marks the fourth credit union in the Houston area, joining PrimeWay FCU, Plus4 CU, and SPCO CU in the Corelation family. InvesTex CU believes in its streamlined and dedicated member service as its main differentiator. So for CEO Keith Kearney, the decision to move to the new system was predicated on our ability to provide users with the data they need to give members the very best service possible.

“Through the partnership we have started with Corelation we anticipate a positive and significant impact to our operations,” said Mr. Kearney.

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Innovation Adoption Lifecycle



Welcome to Our Newest Client Partners



Houston, TX
\$178m Assets
28,000 Members



San Diego, CA
\$775m Assets
43,000 Members

A New Recognized Vendor

The most recent addition to the Recognized Vendor Program is PSCU. Founded in 1977, PSCU is the largest CUSO in the nation, representing more than 680 credit unions. PSCU offers a wide variety of industry-leading services for its member-owners.

- Credit, Debit/ATM, and Prepaid Card Servicing
- Bill Payment Solutions
- eCommerce Solutions including Home and Mobile Banking
- 24/7/365 Total Member Care Contact Centers

Corelation is proud to support function-rich integration to many of PSCU's services, and looks forward to our continued mutual growth. For more information, visit www.pscu.com.



"We are excited about the integration of this system, its intelligent design, and that it will be easy for our people to use and understand. We are looking forward to a greater capacity to generate data providing for detailed analysis and support. We see the Corelation system and support staff providing us the level of responsiveness needed in the fast paced and changing technological environment we have today. Ultimately, we will serve our members better as a result of our coming together."

Indeed, as KeyStone continues to be developed and add functionality and services to its core offering, we are hopeful the entire Houston credit union chapter takes notice and follows in the footsteps of InvesTex CU and their Early Adopter brethren. But while our conversion teams truly love the Texan lifestyle - big hats, big steaks, big stadiums - there really is nowhere in the world like home. With that in mind, they gave an extra loud cheer when we announced the signing of our third conversion right here in San Diego.

University & State Employees Credit Union (\$775m Assets; 43,000 Members) will complete its conversion in the 4th Quarter of 2015, joining fellow San Diegan institutions Cabrillo CU and Miramar FCU. USE is a forward-thinking, technology-driven credit union, providing the cutting edge in products and service to its members. That dedication to innovation made the move to KeyStone a natural, but significant step for its leadership. The decision was eloquently explained by CEO Jim Harris.

"Converting to KeyStone will be a monumental event in USE Credit Union's history. KeyStone's flexibility, open architecture, and use of modern technology will support us in our efforts to achieve our strategic objectives. Implementing KeyStone will also improve engagement, deliver enhanced experiences, and help us realize increased efficiencies, in addition to supporting our omni-channel strategy as the main backbone for connecting people and systems. More importantly, we have truly found a strong and long-term partner in Corelation, who not only aligns with our values and strategies, but is also able to bridge the gap of where we are today, where we need to be, and where we want to go."

Corelation is proud to welcome these two fine institutions into our growing family. As our product and our market share both evolve, we are equally proud to be sinking roots in certain areas of the country, as these regional successes tell us that our story is being retold by those who first took the chance to partner with us. On that same adoption bell curve, the first two groups to embrace a new product are often lumped together based on the quality they have in common: they are known as Visionaries. We are thrilled that InvesTex and USE share in our vision for the future of core processing and for credit union service.

No Two Loans Alike

The KeyStone system is now home to tens of thousands of loans representing hundreds of different products across our many clients' databases. As those numbers have expanded – through conversions and of course day-to-day operations – a remarkable trend has begun to emerge: no two loan products are quite alike. Even the supposedly simple concept of a closed-end loan collateralized by a new car is applied for, booked, funded, and serviced completely differently from one institution to the next. It is a testament to the service levels of credit unions that each is willing to get creative in order to help its members achieve the financial flexibility they strive for. It is also a testament to our development team that our software has been revised and expanded to accommodate the many flavors of underwriting with which we've been presented.

Our latest system upgrade reflects a number of these twists on the traditional lending model. Should members be allowed to pay ahead of schedule? If so, by how many payments? Or should the limit be set by the calendar, rather than the payment frequency? KeyStone can handle that.

Does the credit union use FASB 91 accounting practice to amortize dealer fees? What if they amortize different fees over different periods of time, or with different methods of calculation, or to different areas of the General Ledger? KeyStone can handle that.

What if the credit union tolerates slightly short payments? For example, would you accept 99% of a payment and forgive the remainder, saving on collections costs and member contact for tiny payouts? Maybe the investment isn't worth amounts under \$5. KeyStone can handle that.

Want to help your loan officers sell add-on products such as Collateral Insurance? The standard loan workflow has been re-designed to make comparative projections a breeze, automating the inclusion of those products all the way through to funding.

And of course, no two credit card promotions are ever designed in quite the same way. From new loans to existing loans, for purchases or cash advances or balance transfers, promotional rates with all manner of offer periods and qualification criteria can be dreamt up, implemented easily, and tracked separately, even if they overlap on a single member or even a single card.

Between these and dozens of other long-standing and newly-released features, KeyStone provides the flexibility for a Lending Department to design just the right product to appeal to a specific field of membership. And in cases where outside help is needed, KeyStone plays well with others, as evidenced by our real-time connections with many lending specialists, most notably FICS and PSCU. It takes a powerful platform to support the innovative imaginations of seasoned lenders. It's a good thing there's nothing quite like KeyStone.



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.



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Reputation, Relationship, Results

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A Note From the President

“Who was the first Corelation employee to get married while working for the company?”

“Which is Client Number Nine?”

“Which Corelation employee has known founder John Landis the longest?”

We had such fun on August 20 playing trivia, swapping stories, and generally making merry at the celebration of Corelation’s 5th Anniversary. The event provided an opportunity for our whole company to come together, reminisce about the progress we’ve made as an organization, and ponder the possibilities of what’s to come. And while the party was reserved for our wonderful, resilient staff, I wanted to share with you here some of the highlights of that night that stood out to me, and that might shed some light on who we are and how our story has unfolded so far.

One special element of the evening was how it mirrored our modest beginnings. We returned to the Hilton on Harbor Island, the site of our “Friends and Family” event from the same date in 2009. The conference room where we’d once hosted a dozen or so of our closest industry confidants wouldn’t stand a chance of holding our ranks these days, but it only seemed right that over the years we’d moved on up from the small room where we kicked things off, all the way to the ballroom on the top floor. As with the F&F event, we started off with a little slide show about how we’d gotten this far, and about where we wanted to lead in the future. This year though, the slide show was a little longer...

That recap was very special to me. We cheered photos of every credit union to have partnered with us, paying particular homage to those brave leaders who took a chance on us even before our product was finished. We hooted and hollered as glamour shots and outtakes of our staff flashed by. I think that was my favorite part, the recognition of the people that have made this amazing journey come to pass, both clients and staff. Even though this was a celebration of a company, the acknowledgment of all those people and their leadership and hard work humanized the experience and brought it home how special this company is, both to me and to lots of likeminded supporters around the country.

I was lucky enough to be able to say a few words to my colleagues, to let them know how much I appreciate them and where they’ve taken us so far. Standing to address them, it struck me how we’ve grown from one to three to five to... forty-three employees in what seems like the blink of an eye. John addressed us as well, and he proposed a toast with which I wholeheartedly agree: “To a wonderful five years of growth and success, and to five more, and five more after that, and even more after that!”

So with five great years behind us, and with an untold journey to come, I want to say thank you to all those who have supported us, and especially to those who have been a part of the first chapters of this amazing adventure.

Sincerely,

Theresa Benavidez,
President, Corelation Inc.