



To: Member Credit Unions
From: Bill Birdwell, President & CEO
Date: September 13, 2009
Re: U.S. Central's Audited Financials Released, No Surprises

Southeast Corporate received U.S. Central's (USC's) audited financials Friday, September 11 at 10:40 p.m. following the unexpected release of a trade press article at 6:51 p.m. At first glance, USC's financials appear to hold no surprises and are in line with what we have been communicating to you all along.

We have posted U.S. Central's audited financials [click here](#) as well as their accompanying Q&A [click here](#) on our website. We've also included a link to the National Credit Union Administration's (NCUA's) media release regarding U.S. Central's audited financials [click here](#).

U.S. Central reported that as of December 31, 2008 it had an accumulated deficit that was greater than the combined total of its Paid-In Capital (PIC) and Membership Capital Shares (MCS). Under the regulations governing corporate credit unions, capital is available to cover losses that exceed retained earnings. However due to an accounting change effective January 1, 2009, NCUA did not require U.S. Central to fully deplete all PIC and MCS accounts as of December 31, 2008. ([See U.S. Central Q&A point #8 on our website](#)).

In accordance with our previous communications with you, NCUA stated in their media release that U.S. Central has reported that all Corporate's PIC and 63.7 percent of MCS accounts were depleted in June 2009. U.S. Central has announced that it plans to have a conference call with Corporates Monday to provide additional clarity. Once that happens we will schedule a webinar for our members so that we can answer any questions you may have.

Thank you for your patience through the many delays we have all experienced waiting for audited financials from U.S. Central. We will continue to keep you informed with the best information available to us.