

WINTER 2010 • VOL. 22

WINTER TOPICS

- ◆ Olympia Branch Opens at New Location
- ◆ Go Paperless with eStatements
- ◆ Welcome New Officials
- ◆ Tax Season Investments
- ◆ Disciplined Investing
- ◆ Budget & Debt Counseling:
A Roadmap to Financial Success
- ◆ Sound's Privacy Policy

ANNOUNCEMENTS

Welcome MilePost Members-The merger between MilePost and Sound was completed on August 31, 2009. We hope our new members are enjoying the benefits of membership at Sound. The former MilePost branch at 3633 Pacific Avenue in Tacoma is now open to serve all Sound members.

70th Annual Meeting-All members are invited to the 2009 Annual Meeting on Wednesday, June 23, 2010. The meeting will be held on the second floor of the Downtown Tacoma Branch. Refreshments will be served at 4:00 p.m. The business meeting will start at 4:30 pm.

Scholarship-Sound Credit Union will award several \$1,000 scholarships to seniors graduating from high school. Scholarship applications can be downloaded and printed from our website at soundcu.com. The application deadline is April 16, 2010.

Membership at Sound-Did you know that membership at Sound Credit Union is open to anyone who lives or works in Washington State? To establish membership, just open a savings account with a minimum deposit of \$25. Be sure and tell your friends and family about the advantages of being a Sound member!

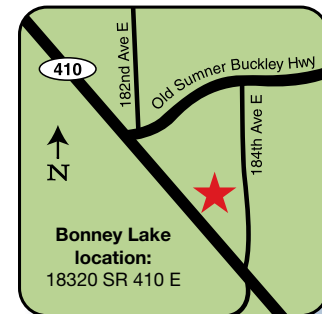
HOLIDAY CLOSINGS

New Year's Day - January 1
 Martin Luther King, Jr Day - January 18
 Presidents' Day - February 15
 Memorial Day - May 31
 Independence Day - July 5

New Olympia Branch Now Open *Bonney Lake Branch to Open this Summer*



Our new Olympia branch, on the corner of Martin Way and Lilly Road, is now open and ready to serve you! This branch is full-service including a drive-thru, safe deposit boxes, drive-up ATM, a full array of savings and loan products. Sound now has 12 branches throughout Sound Puget Sound and is preparing to open our 13th branch in Bonney Lake soon. Watch our website at soundcu.com for more details.



eStatements are Easy & Convenient!

Start the new year with free paperless account statements.

Now you can get the account information you need, when you need it! With free eStatements these benefits are yours:

- ◆ Balance your account early. eStatements arrive 3 – 4 days before mailed paper statements. Both checking and Visa statements are available.
- ◆ Save storage room by saving your account information to your computer. Or, print it out. The choice is yours.
- ◆ Relax knowing your account information is safe and protected with state-of-the-art encryption technology.
- ◆ Go green and save the paper of printed statements.

Signing up is easy! Just call our Contact Center at 253.383.2016 or 800.562.8130, or stop by your nearest branch. You may also sign up anytime through your online banking account.

It is up to you to keep your email address current. If you don't receive your statement, please contact us to update your email address. For the safety and security of your financial records we will not forward your account information either electronically or through the U.S. Postal Service.

Budget and Debt Counseling: *Your Roadmap to Financial Success*

Sound Credit Union recognizes that money management skills are learned, not something we're born with. As a benefit of membership, you have free access to BALANCE, our Financial Fitness Program. BALANCE offers personal finance counseling by credentialed experts.

The first step toward financial security is analyzing cash flow with a budget and debt counseling session. All the essential elements are covered, including goals, assets, income, and debt. The focus of the appointment is up to you - you may choose to concentrate on developing a spending plan, or explore debt reduction options. Each session is conducted over the telephone, and takes about an hour. So you can monitor progress and stay on track, a copy of your new budget and a detailed action plan will be sent to you.

To use the services, simply call the BALANCE toll-free number at 888.456.2227. Counselors are available Monday through Thursday, 5:00 a.m. to 8:00 p.m. (PST), Friday, 5:00 a.m. to 5:00 p.m. and Saturday, 8:00 a.m. to 5:00 p.m. Or visit balancepro.net for more information.

Loan Coupon Changes

In a continued effort to *Go Green* and to minimize paper waste, loan payment coupons will now be sent to members only at their request. The coupons will no longer be issued automatically. In place of using a coupon, a member may put the account and loan number on the memo line of the check. They may also set up automatic payment and eliminate using paper checks entirely. Call our Contact Center for more details.

Changes on the Board and Supervisory Committee

Welcome new Board and Supervisory Committee members

Sound would like to extend a warm welcome to Gary Emmons, Shelley Coleman and Mike Metcalf. Mr. Emmons joined Sound's Board of Directors through the merger with MilePost Credit Union. We also have two new members to the Supervisory Committee; Shelley Coleman and Mike Metcalf. Ms. Coleman was elected to the Supervisory Committee last June by Sound's membership. Mr. Metcalf joined the Supervisory Committee through the merger with MilePost.



Gary Emmons



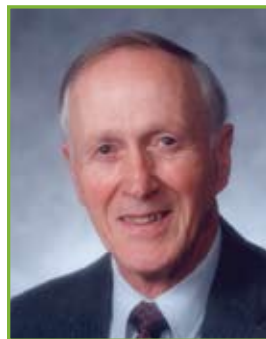
Shelley Coleman



Mike Metcalf

Thank you for your service

The management, staff and membership of Sound would like to thank Don Boyle, Dave Williams and Joe McGuire for their years of service and dedication to Sound Credit Union. Each served the membership as a volunteer Board of Director or Supervisory Committee member for many years ensuring Sound remained strong and stable, while progressing forward. Their leadership helped to make Sound the \$515 million credit union it is today, that serves over 45,000 members.



Don Boyle



Dave Williams



Joe McGuire

Competitive Sound Rates & Yields

Sound offers competitive rates on auto, Visa, home and consumer loans. We also offer competitive yields on savings, Money Markets, CDs and IRAs. For our most current rate information, please stop by a branch near you or visit online at soundcu.com.

Disciplined Investing



*Paul Stevick,
Financial
Advisor*

In times of volatile market fluctuations, it might be a good idea to review the basic concepts of investing. Diversification and asset allocation may prove to be useful investment strategies to exercise during times of market instability.

Diversification

Diversification can help an investor manage risk, and reduce the volatility of an asset's price movements. It is the process of dividing a portfolio among major asset categories such as bonds, stocks or cash. Another good rule of thumb is to avoid investing 100% of your retirement plan in your company stock. Remember though, no matter how diversified your portfolio is, risk can never be eliminated completely.

Asset Allocation

We have all heard the term but what exactly is it? It is systematic allocation of a client's investments across asset classes, with the objective of maximizing returns for the amount of risk taken.

Asset allocation helps to reduce the risk of market fluctuations, because as some assets' value may go down, others may go up and offset losses.

Tips for Surviving Uncertainty

Surviving a down market can be difficult, but there are different strategies to implement that may help to reduce the impact. Some of those strategies may include:

- ◆ Formulate a well-defined investment plan and stay on course.
- ◆ When making an investment decision, think long-term, as opposed to short-term.
- ◆ Think of a down market as a buying opportunity.
- ◆ Consider working with a financial advisor.

Who Can Assist Me?

If you're ready to review your financial situation, set up a no cost, no obligation appointment with Paul Stevick, our CFS* financial advisor at Sound Credit Union, by calling 253.383.2016 or 800.562.8130. Paul can discuss and advise on various financial topics that affect personal or business lives.

For specific tax advice please consult a qualified tax professional. *Products and services offered through CUSO Financial Services, L.P. (CFS) are NCUA/NCUSIF or federally insured, are not credit union guaranteed, and may lose value. Investment Representatives are registered through CFS (Member FINRA/SIPC).

Protecting Your Personal Information

Sound Credit Union Privacy Policy

Our Privacy Pledge. At Sound Credit Union we respect the privacy of our members. We recognize the importance of maintaining the confidentiality of your personal financial information. This notice describes the privacy policy and practices followed by Sound Credit Union and our affiliate, Sound Financial Group, Inc. This notice explains the types of member information we collect and under what circumstances we may share it.

Member Information We Collect. We collect only relevant information about members in order to establish and maintain your account and services as the law allows or requires us to collect. We may collect personal and financial information about you which is Nonpublic (member information). The member information we collect varies depending on the accounts and services you request and use. We collect

information about you from the following sources:

Application Information. We retain personal information we receive from you on any application you provide to us or our affiliate for membership, deposit accounts, EFT services, loans, financial planning, securities brokerage, insurance or other Credit Union services. Application information includes: name, address, email address, social security number, birth date, phone number, drivers license number, employment, financial status, and credit history.

Your Transactions. We retain your transaction information any time you perform a transaction on one of your accounts, including ATM or card transactions, loan advances, transactions through online banking, over the phone or at a branch. Transaction information includes: account number, the date, the

continued on back page

Individual Retirement Accounts Boost Your Retirement Savings

Sound's IRAs reduce your taxable income in most cases, defer taxes and build interest without paying any fees. IRA contributions benefit you now and in the future, and you can still invest in an IRA and have the contribution count toward your 2009 tax year!

Sound IRAs earn money more quickly and securely than other investment vehicles. The funds are government-backed and insured separately up to \$250,000 by the NCUA. Sound Credit Union gives you three ways to invest:

IRA Savings—just open your IRA account with \$25, make deposits as you're able, or sign up for automatic payroll deduction.

IRA Certificates—combines the high yields of a certificate account with the earning advantage of an IRA to save even more.

IRA Transfers/Rollovers—once you've established your Sound IRA, transferring existing IRA money from other institutions or rolling over funds from a different retirement plan is as easy as asking.

Ready to start saving for the future? Call the Contact Center or stop by a branch to open your Sound IRA and we'll help you accomplish your retirement goals.

2009 Contributions: *You can still have your contribution count toward 2009 as long as you've earned income in 2009. Be sure to invest by the April 15, 2010 tax filing deadline and make it clear that the contribution is for the 2009 tax year.*

Year-End Tax Notices

Former MilePost members will receive year-end dividend notices from both credit unions. Any member who received a cash award of over \$10 from a deposit promotion or over \$600 from a loan promotion will receive a 1099 MISC Form for tax reporting purposes. These forms will be mailed by January 31, 2010.

Sound Credit Union Privacy Policy continued.

amount, and the location of the transaction. Our affiliate may also provide us with reports on your securities and insurance transactions.

Credit Reports. When we evaluate your application for an account or service, we may request a credit report about you from a consumer reporting agency. We retain the personal and credit history information about you and we may use it to evaluate your future account service requests.

Online. We obtain information online when you visit our website, soundcu.com. This includes retaining information you provide to us on an online application, an online banking transaction, or by email.

Our Sharing of Member Information. In order to provide financial services to you, we share certain information about you with our affiliates and third party service providers. However, we limit any information sharing to the extent necessary to service your account or offer new services to you. If we share your information, it is with the goal of bringing you quality services, more choices, and greater convenience. Information we may have about former members is shared or disclosed only if it is required to enforce or administer an account or as required by law.

Sharing Information with Credit Union Affiliates. Sound Financial Group, Inc. is a wholly owned affiliate of Sound Credit Union. We may share personal information (name, address, account number and phone number) and account information (type of accounts, account balances, and transaction history) with our affiliates so they can serve you more efficiently. Our affiliates maintain the same privacy standards as the Credit Union.

Sharing Information with Third Party Service Providers. In order for us to conduct our operations, including servicing your account and processing your transactions, we need to share information with our service providers, including: data processing companies, check, ATM and other payment processing companies, payment networks, loan service providers, insurance companies, collection agencies, credit reporting agencies, securities brokerage and financial planners and service providers with whom we have marketing agreements. These service providers act on our behalf and have agreed in writing to keep the member information we provide to them confidential. We share the following categories of information to third party service providers depending on the specific services provided:

- ◆ Personal information (name, SSN, date of birth)
- ◆ Account information (type of accounts, account balances, transaction history)
- ◆ Transaction information (dates, amounts, locations and type of transaction)

We do not sell member information nor share your account numbers with independent third party marketers offering their products and services. While we may assist in offering the financial products and services of our affiliates or third party service providers, we control the member information used to make such offers.

Sharing Information as Legally Required or Permitted. We may share any member information of yours in

response to a lawful request issued by a court, government agency, or regulatory authority or as permitted by law in order to administer or enforce your account. We may also share our experience information about you with credit bureaus. Our reporting to credit bureaus is governed by the Fair Credit Reporting Act, which affords you the right to make sure that your credit bureau reports are accurate.

Our Confidentiality and Security Safeguards.

We maintain strict policies and security controls to assure that member information in our computer systems and files is protected. Our employees are permitted access to member information that they may need to perform their jobs, to provide service to you, and as necessary to conduct a transaction or respond to your inquiries. All employees are trained to respect member privacy. No one except our employees has access to the Credit Union computer system and records storage. The Credit Union has established internal security controls, including physical, electronic and procedural safeguards to protect the information you provide us and the information we collect about you. We will continue to review our internal security controls to safeguard your member information as we employ new technology in the future.

Online Privacy Protections. At our website, soundcu.com, you may apply for accounts and services and you may communicate with us via email. To protect the information you provide us online, we use multiple levels of security. The application information we accept online and our online banking service relies on industry standard Secure Sockets Layer (SSL) encryption and multi-factor authentication to secure your transaction information and communication. Email is not considered a secure method of communication. On our website, we only require the last three (3) digits of your account number, last name and email address on the secure (SSL encryption) form that collects your information. When submitted the form is then emailed to the appropriate area of the credit union. When you visit our website, you can access site information, without revealing your personal identity. However, in order to help us identify you for future site visits, we use cookies to track your visit. A cookie is a piece of information that our web server stores on your computer hard drive and retrieves later. The cookie will not request, require, or collect personal identity information and you remain anonymous. Your member information is not accessed by or stored within a cookie in any way.

Protecting Children's Information Privacy. Our online financial services are not designed for or directed toward children. We do not knowingly solicit or collect data from children and we do not knowingly market to children online. We recognize that protecting children's identities and online privacy is important and that responsibility rests with us and with parents.

Privacy Policy Inquiries. If you have any questions about our privacy practices, contact us by calling 253.383.2016 or 800.562.8130, sending us an email at info@soundcu.com, or writing to us at: Sound Credit Union, Attn: Privacy Policy Inquiries, P.O. Box 1595, Tacoma, WA 98401.

We reserve the right to amend our Privacy Policy at any time and we will notify you as required by law.



YOUR FINANCIAL PARTNER

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AUBURN
2326 Auburn Way N

BONNEY LAKE
Coming soon! 18320 SR 410E

DOWNTOWN TACOMA
1331 Broadway Plaza

EAST TACOMA
2806 Portland Ave E

FEDERAL WAY
31908 21st Ave S

GIG HARBOR
4521 Pt Fosdick Dr NW

KEY CENTER
8920 Key Peninsula Hwy N

LAKEWOOD
7717 Bridgeport Way W

OLYMPIA
3600 Martin Way E

PACIFIC AVENUE
3633 Pacific Ave

PARKLAND
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SOUND
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