

 **For Immediate Release**

**Members Development Company Announces Successful Capital Raise for Fintech Venture Fund at Owner Meeting**

***David Tuyo and Gail Enda join R&D CUSO’s board***

**Madison, WI (February 22, 2021)** – At its recent 2021 Winter Owner Meeting, Members Development Company (MDC) announced it has reached the minimum goal of its capital raise for its new fintech venture fund, Curql Fund I. Eighteen of the R&D CUSO’s owners have committed $62 million dollars to the fund, with more expected in the coming months. Once final agreements are signed and the first $50 million is officially available to the fund, it will be able to begin making investments in fintechs, helping the credit union industry better control its financial technology future. Curql Fund I’s investments will be made under the advisement of Next Level Ventures, the fund’s manager, and the guidance of an investment committee comprising representatives from three of MDC’s owners. MDC expects the amount of capital committed to the fund from its ownership to grow to $100-$150 million by summer.

MDC holds owner meetings twice each year to learn from subject-matter experts, receive updates on current projects (such as the announcement above) and evaluate proposed initiatives. Their most recent meeting, held virtually on February 4, was attended by over 400 credit union industry professionals, including representatives from each of the more than 70 forward-thinking owners of the R&D CUSO.

"While the pandemic kept us from meeting in-person in San Diego this week, it hasn't slowed our momentum," said Jeff Kline, MDC’s CEO. "Our meetings are the best opportunity for our owners to hear our newest ideas, learn from experts from both inside and outside our industry, and set priorities for our collaborative network. While we missed being face to face with our owners, our meeting was still extremely worthwhile and exciting for owners and MDC staff alike.”

One of those outside experts brought insights regarding how organizations can best face the chaotic disruptions of the ongoing pandemic, even leveraging them to emerge from it stronger than before. Jeremy Gutsche, founder and CEO of Trend Hunter, charged credit unions to be like the many well-known and successful companies founded during times of economic crisis—Disney, Microsoft and Apple, just to name a few. Their success was a matter of hard work and recognizing an opportunity, and Gutsche advocated in his keynote address for MDC’s ownership to recognize the opportunities presented in today’s crisis.

Another theme of the meeting was MDC’s ongoing work to better engage credit unions in the fintech space. In addition to announcing the successful capital raise for Curql Fund I, MDC invited Rodney Hood of the NCUA Board to talk about the regulatory challenges the industry faces in the fintech space. Hood spoke to MDC owners about a new office the NCUA is creating to increase the ability of credit unions to work with and even invest in fintech companies. Hood also spoke about how credit unions have a unique responsibility to work toward the financial wellbeing of their members as the financial services industry becomes ever-more digitized.

Harnessing technology to improve services and control expenses was also discussed in many sessions, with some experts estimating the COVID pandemic pushed technology adoption forward 5-10 years as people found ways to manage more tasks virtually. Nicholas Thompson, former editor-in-chief at *Wired* magazine, predicted the trend was here to stay even after the pandemic is over, pointing to the diminishing cost of technology and discussing what our increasingly digitized world really means for both organizations and consumers. For example, the cost of one gigaflop of computing in 1961 was twice the GNP of the United States, but in 2019 it was a nickel. Ajay Agrawal, founder of the Creative Destruction Lab, made a similar point in his presentation regarding the use of artificial intelligence, stating that the decreasing cost for AI is making its use practical (and more reliable than human expertise) in more and more contexts.

In another session, Steve Williams, co-Founder and President of Cornerstone Advisors, and Brad Smith, Partner of Cornerstone Advisors, discussed original research performed in partnership with MDC. They surveyed MDC’s credit union owners on the core banking systems used, whether they were satisfied with them, what capabilities they felt were needed and what best practices should be shared between and championed by members of the collaborative network. One of the conclusions reached was that credit unions have a valuable opportunity to use agile software automation tools to empower technologies complementary to core banking, such as CRM platforms, without the need to pursue expensive or impractical solutions like building a custom core, moving toward a common data model or creating new API standards.

This meeting also featured three breakout sessions for owners to choose from, including one hosted by Kurt Schroeder, Chief Experience Officer at Avtex, talking about the contact center of the future; another with Brenton Peck, Director of Financial Health Network, discussing how credit unions will need to move from being financial services providers to financial health providers; and one from CU NextGen, a technology CUSO founded by MDC and ClaySys Technologies, focusing on best practices for credit unions looking to further their digital transformation journeys.

“Another exciting part of our Owner Meeting is hearing from the NextUP teams,” said Sarah Lietz, MDC’s Chief Experience Officer and leader of NextUP, MDC’s innovation program. “Each year, staff from our owners receive innovation training and research support as they work together to develop actionable solutions to issues within the industry.” In 2020, 50 owners participated in the program on five teams, developing ideas to feed into MDC's project pipeline.

MDC also announced the results of its most recent board elections at the meeting. David Tuyo, President/CEO of University Credit Union, and Gail Enda, President/CEO of American Airlines Federal Credit Union, were both elected to their first three-year terms. James Nastars, President/CEO of Meritrust Credit Union, who was already serving on the board as a replacement for a member who departed before their term had ended, was also elected to his first three-year term.

“MDC’s focus on what’s new and what’s yet to come helps our organization and the industry stay forward-thinking,” said Enda. “The owner meetings are a great opportunity to step outside the box, hear new ideas and think more broadly. We are proud to be owners, and I am excited to represent our fellow owners on the board.”

"I cannot communicate the value of MDC enough,” said Tuyo. “Between the networking, the project deliverables and the cost savings, it’s worth every penny and more. I’m glad to now be part of this leadership team helping move our industry forward."

Amy Sink, CEO of Interra Credit Union, is MDC’s new board chair. Kevin Johnson, President/CEO of Suncoast Credit Union, is the board vice chair, and Nastars is the board secretary/treasurer. Other board members are Laura Campbell, President/CEO, Farmers Insurance Group Federal Credit Union; April Clobes, President/CEO, Michigan State University Federal Credit Union; Thomas Moore, Executive VP, Baxter Credit Union; Paul Marsh, President/CEO, Teachers Credit Union; and Laurie Winger, Chief Financial & Product Officer at CUNA Mutual Group.

“Working together to overcome challenges to give better service and more value to our members is what credit unions are all about,” said Sink. “I’m excited to be working with the hard-working and talented people on the MDC staff, as well as with my fellow board members who are all committed to helping our industry succeed. I also want to offer special thanks to outgoing board member John Hirabayashi from Community First Credit Union for his nine years of service on the MDC board, the maximum allowed under our by-laws. Our network owes a lot to John’s leadership, guidance, and friendship.”

MDC’s next semi-annual owner meeting will be held in Chicago on August 2-5, 2021.

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Members Development Company is an interactive and future-focused network leading credit unions through collaborative innovation, development, thought leadership, and research. Combined, our owners serve 16.4 million members, hold nearly $272 billion in assets, maintain over 1,900 branch locations across the nation and employ more than 42,000 credit union professionals. MDC’s vision is to be *the* collaborative force accelerating credit union success. More information is available at www.membersdevelopment.com.

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