

OUR

catholic



# JOURNEY

THE OFFICIAL PUBLICATION OF CATHOLIC UNITED FINANCIAL



## An Exciting Proposal for Our Future

Faithful to our founding and focused on the future — learn more in this special edition



# TABLE of *contents*



- 3 | A Message from Mike
- 4 | Statements from Your Board of Directors
- 5 | A Message from The Most Rev. John LeVoor
- 6 | Frequently Asked Questions
- 8 | Next Steps
- 9 | Summary of the Merger Agreement
- 10-15 | Plan and Agreement of Merger

***On the cover:** Church of the Assumption in Saint Paul, Minn., is where 10 independent societies founded Catholic United Financial in 1878. Senior Vice President Paul Zastrow and President and CEO Mike Ahles met with John Borgen, President and CEO of Trusted Fraternal Life and Kristen Mueller, Corporate Secretary of Trusted Fraternal Life, in June at this historic location to discuss a unified future for our organizations.*

**Catholic United Financial is a member-owned, not-for-profit financial services company, connecting people of faith, protecting their future and generously impacting parishes, schools and communities.**

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Catholic United Financial is a  
certified Great Place To Work™

# A MESSAGE FROM MIKE

Michael M. Ahles | President, CEO and Chair of the Board



Nearly 150 years ago, 14 forward-thinking Catholic laymen from 10 independent societies met at Church of the Assumption in Saint Paul, Minn. They developed a plan and took bold action to create what is known today as Catholic United Financial.

Now in 2024, to secure the future of our current members and to expand our ability to grow and meet the needs of our children, grandchildren and great-grandchildren, the leadership and the Board of Directors of Catholic United Financial unanimously voted on June 20, 2024, to unify with a like-minded fraternal society, Trusted Fraternal Life, a family of fraternal brands like ours. Delegates at our Triennial Conference Business Session on September 14 will be asked to vote on this step.

Every outcome of this proposal is positive:

- Catholic United Financial would maintain its own identity while enhancing our financial strength and making sure we can operate long into the future for the next generation of Catholics.
- By joining this family of fraternal brands, we would be able to expand the types of financial products we offer in the highly competitive financial services market.
- Everything you know and love about Catholic United Financial would remain: our name, our brand, our mission, your local Member Advisor, the positive impact our members make in their communities through our Councils and Parish Volunteer Teams, and more.
- We would join a family of brands that share our values and commitment to fraternalism.

What makes this proposal especially advantageous is how aligned we are with Trusted Fraternal Life. They are a Wisconsin-based organization focused on preserv-

ing the identity, mission and traditions of fraternal benefit organizations with the additional financial stability to compete and grow. It was created by Catholic Financial Life, which our organization has partnered with for several years in Conventus Now, our technology joint venture. We work well together and have a similar mission, vision and values.

This step is consistent with our values and the history of our thoughtful evolution as a fraternal benefits society since our founding in 1878. It is also an important step – one which the Board approved after very careful study and reflection. Now it is time for you as members and your recently elected delegates to the Conference to review this same information and consider the opportunity in front of us.

This special edition of *Our Catholic Journey* presents all the essential facts about this important decision, including a statement from our Board, a letter from our Spiritual Advisor, answers to key questions, a projected timeline and the merger agreement to be considered at our Triennial Conference Business Session.

Over the next two months, we will organize a series of townhall meetings with Conference delegates to present details about this proposal, answer questions, listen and address any concerns.

I also invite you to email [listening@catholicunited.org](mailto:listening@catholicunited.org) to share any questions you have.

I am excited about what this next step in our journey can mean for your family and all our members, as well as the legacy of Catholic United Financial. I hope you are excited, too.

With heartfelt thanks,

A handwritten signature in blue ink that reads "Mike".





# FROM YOUR BOARD

"The Board has determined, in its judgment, that the Merger is just and equitable to Catholic United Financial's Members and is in the best interests of the Membership."

- Board Resolution passed unanimously on June 20, 2024



**Renee Brod, Lead Director**  
[rbrod@catholicunited.org](mailto:rbrod@catholicunited.org)

"I have had the honor of serving on our board for 11 years. This historic decision by Catholic United Financial would allow for future financial stability, increased products and services, and allow our legacy of the Catholic United Financial brand to continue. I know this is the right decision and encourage all delegates to vote yes for this proposal."



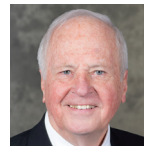
**Marty Seifert - [mseifert@catholicunited.org](mailto:mseifert@catholicunited.org)**

"My family goes back multiple generations with Catholic Aid Association and then Catholic United Financial. We want to make sure that all our members have resources and protections for generations to come, just as my ancestors did when they came from Germany to Minnesota. I have discerned, prayed and scrutinized every aspect of this proposal and have concluded that it is the best opportunity for us to protect our members, grow our faith membership, and build upon our strong foundation. Trusted Fraternal Life is a natural and trustworthy partner for us."



**Jim Gibbons - [jgibbons@catholicunited.org](mailto:jgibbons@catholicunited.org)**

"I have been in leadership roles with Catholic United Financial, first as an employee and then as a board member, for more than 20 years. This opportunity to join forces with Trusted Fraternal Life provides us with the means for growth. It would allow us the unique ability to retain our identity, preserve our traditions and evolve to meet the challenges of the future. It is a bold move, and after thoughtful consideration and prayer, I plan to vote YES. I urge you to do the same."



**Bill Lucas - [wluucas@catholicunited.org](mailto:wluucas@catholicunited.org)**

"This year delegates who attend our delegate convention will have an opportunity to approve the merger of Catholic United Financial with Trusted Fraternal Life. This merger will bring two financially strong fraternal benefit societies together and create one that is financially even stronger. This will provide even more protection and safety for the investments that our members have entrusted to us. This is clearly in the best interests of the members that you and I, as delegates, have been elected to represent. As a delegate, I want to do what is best for our members, so I am going to vote in favor of the merger."



**Jim Wensel - [jwensel@catholicunited.org](mailto:jwensel@catholicunited.org)**

"I've worked with Trusted Fraternal Life leaders for several years. We work well together and have similar goals for our organizations. I'm confident that this is the right decision."



**Jean Hart - [jhart@catholicunited.org](mailto:jhart@catholicunited.org)**

"After thorough review and discussion, the decision to support this proposal became clear. This would allow us to maintain our Catholic United Financial identity while strengthening our financial stability for members now and in the future. We are so fortunate to have a partner in Trusted Fraternal Life that has similar goals, mission and Catholic values."

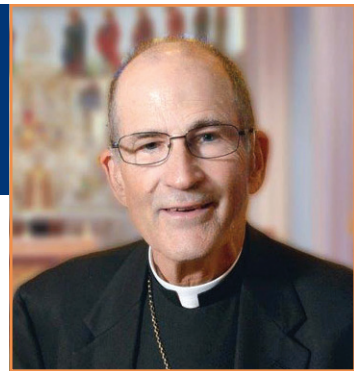


**Jason Adkins - [jadkins@catholicunited.org](mailto:jadkins@catholicunited.org)**

"What we care about – Catholic United Financial's legacy, services and community – would all remain. Your Catholic United Financial life insurance and annuities would be on stronger financial footing and our commitment to being a community of Catholic volunteers working together for the mission of the Church and for the common good would continue."

# A MESSAGE FROM THE BISHOP

The Most Reverend John LeVoir | Member, Chaplain and Retired Bishop  
of the Diocese of New Ulm



**H**aving recently heard about Catholic United Financial's decision to join the Trusted Fraternal Life's family of fraternal brands, I couldn't be more pleased. It is another positive step in the rich history of Catholic United Financial, from 1878 until now. How can I personally support such a claim? I know the people who lead and work for Catholic United Financial, as well as the products they offer.

I have had touch points with Catholic United Financial throughout my life. As a fourth grade Confirmation student at St. Charles Borromeo Catholic Church in Minneapolis, Minn., my Confirmation sponsor was John Kolb. John was associated for years with Catholic Aid Association.

I was reunited with John when I was ordained a priest and assigned to St. Charles Borromeo as an Associate Pastor. From John, I learned about Catholic Aid Association and the wonderful work they had done over the years providing insurance and other services for their Members. John proudly showed me photos of the leadership of Catholic Aid Association when he was a young man, and there he was in the photos.

I was a beneficiary of Catholic Aid Association when I was involved in writing a Catholic Religion Series for students in preschool through eighth grade and Confirmation, called the "Image of God" series. It was then that Msgr. Richard Schuler (a past Chaplain of Catholic United Financial) introduced me and the "Image of God" co-founders to Flip Spanier, who was the President of Catholic Aid Association.

I even visited the former office of Catholic Aid Association across the street from Church of the Assumption in Saint Paul, Minn. Flip and the Association provided grants to "Image of God" so that we could continue to write and finish the series. I learned even more about Catholic Aid Association and the work they did. It was impressive.

The name change from Catholic Aid Association to Catholic United Financial came in 2011. Michael McGovern was President and I had been named the Bishop of New Ulm. I was also the Chaplain of Catholic United Financial. Mike and I discussed the name change at length and I made a video supporting it.

Under Harald Borrmann and Mike Ahles, I have served as Chaplain of Catholic United Financial. I attended a number of annual conventions during this time. So, I have personally experienced various aspects of Catholic United Financial over my entire life. I know something about this organization and its people. I think that Michael McGovern was correct when he said: "Catholic is who we are. United is what we are. Financial is what we do."

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**"...another positive step in the  
rich history of Catholic United  
Financial..."**

Before I became a priest, I was a certified public accountant and taught accounting at the University of Minnesota. I understand some things about financial responsibility, accountability, and asset and risk management. I believe that the Board has made a wise move for the long-term success of Catholic United Financial by approving this step. It is a step that will enable Catholic United Financial to remain who they are while expanding the numbers of people they serve, all in a more cost-effective manner.

It is for the delegates at the Triennial Conference Business Session in September to approve this decision. I encourage delegates to the Conference to study the details of this agreement, ask questions and pray for God's guidance in considering this important matter.

# FREQUENTLY ASKED QUESTIONS



We understand you may have questions about how the intent of Catholic United Financial to unify with Trusted Fraternal Life would affect you and your family as members. The information below will answer many possible questions, including how the Board of Directors has evaluated this opportunity.

## **How would this change benefit me as a member?**

This change is entirely positive for members. Catholic United Financial members can rest assured we are committed to meeting your needs and expectations now and into the future. You will have access to expanded products, services and advanced technology.

All that you value about Catholic United Financial will remain the same. Active members will continue to belong to the same Councils or Parish Volunteer Teams and continue to support the same local outreach activities. Members will continue to enjoy the same benefits of membership, including receiving regular communications like *Our Catholic Journey* magazine. None of this changes — it all continues in the name of Catholic United Financial.

## **What do you mean by “family of fraternal brands”?**

Organizations that join Trusted Fraternal Life will keep their brand identity, mission, vision and values. At the same time, they will achieve greater economies of scale, pursue growth opportunities in different markets and make an even greater community impact. It’s similar to how the Coca-Cola Company has many brands, including Coke, Dasani, Gold Peak Tea, Powerade and Minute Maid. Trusted Fraternal Life is like the Coca-Cola Company with multiple brands.

## **Why now?**

Joining with the newly established Trusted Fraternal Life now gives us the opportunity to take an active role in building the family of fraternal brands model. The immediate opportunities we have to propel product and distribution expansion together make this the right time for us to become a member of this family.

## **What is Catholic United Financial’s status?**

We are financially strong and well-positioned to meet all commitments to our members in their insurance and annuity contracts. This merger is not driven out of necessity, but rather by the clear and enormous

advantages which it would bring to our members — including Trusted Fraternal Life’s exceptional financial strength “A” rating by the independent global rating agency, Kroll Bond Rating Agency.

## **Why should we join Trusted Fraternal Life? Why this organization?**

We have a long and productive working relationship with Catholic Financial Life, which is now Trusted Fraternal Life. Our relationship began with an asset management coalition and expanded five years ago with our Conventus Now technology joint venture. Our missions, visions, and values are aligned and our people work well together.

## **Is Trusted Fraternal Life a Catholic organization?**

Catholic Financial Life became Trusted Fraternal Life in March 2024 and is now a brand of Trusted Fraternal Life. All the things that make Catholic Financial Life who and what they are continues just as it has over the past 155 years — charitable support for Catholic schools and parishes, serving the poor through St. Vincent de Paul and Catholic Relief Services, and Catholic education scholarships.

## **What happens to my policies and products?**

The contractual commitments made to members with Catholic United Financial products would become the responsibility of, and be supported by, the financial strength of Trusted Fraternal Life. New products would continue to be recognized with the iconic Catholic United Financial logo as a Trusted Fraternal Life brand.

## **Will this change Catholic United Financial’s investing principles?**

No. Catholic United Financial assets would continue to be invested following the United States Conference of Catholic Bishops investing guidelines. These include protecting human life, promoting human dignity, enhancing the common good, pursuing economic justice and saving our global common home.

### **Would this change who I contact for service or to buy a policy?**

No. Catholic United Financial members can continue to work with the same Member Advisor they have worked with and trust, or continue to call 1-800-568-6670 for any service request or product inquiries.

### **How would my council or volunteer team change?**

All Councils and Parish Volunteer Teams of Catholic United Financial would remain and operate as chapters of Trusted Fraternal Life. Councils and Parish Volunteer Teams would keep all their members, leaders and assets. Councils and Parish Volunteer Teams would continue under the existing Catholic United Financial match fund program in 2025. Starting in 2026, Councils and Parish Volunteer Teams will transition to the more generous Trusted Fraternal Life match plan with incremental additional match funds: \$2,000 in 2026; \$2,500 in 2027; and \$3,000 in 2028.

### **How would this change impact delegates?**

All members – including delegates – would be able to run for or cast their vote to elect the Board of Directors of Trusted Fraternal Life. Delegates would no longer vote to amend the constitution and bylaws; instead, that would be the authority of the Trusted Fraternal Life Board.

### **How would this change impact employees?**

We are too early in the process to say anything about a future staffing plan. We are committed to ongoing honest and transparent communication regarding how this change would impact jobs. We acknowledge there are some redundant positions across Trusted Fraternal Life and the potential for positions to change. Rest assured, we would need employees to continue to market and sell Catholic United Financial-branded products, provide service to existing members, and support members in their volunteer efforts well after the merger.

### **Would Catholic United Financial still have a president and board of directors?**

No. The Catholic United Financial brand and its supporting operations would ultimately become the responsibility of Trusted Fraternal Life's President and CEO, John Borgen. Mr. Borgen has personal ties to Minnesota and is committed to preserving the mission, legacy and work of Catholic United Financial.

A Brand Advisory Board consisting of Catholic United Financial members would be appointed to advise Mr. Borgen about unique facets of the brand including Catholic United Financial's specific purpose, identity, expression and member experience. All members would be able to run for and cast their vote to elect the Board of Directors of Trusted Fraternal Life.

### **If approved, when would the changes be enacted?**

If approved by Catholic United Financial delegates in the Business Session of the Triennial Conference on September 14, 2024, and subsequently approved by the respective state insurance regulators in Minnesota and Wisconsin, the merger would be effective on January 1, 2025.

### **How long has Catholic United Financial leadership been considering this change? Why wasn't this mentioned in earlier communications?**

The Officers and Board of Directors of Catholic United Financial became aware of Catholic Financial Life's strategy to create Trusted Fraternal Life as a family of fraternal brands in September 2023. These leaders discussed the opportunity with Trusted Fraternal Life and authorized a confidential Letter of Intent in February 2024 to commence due diligence discussions to fully evaluate the possibility of unification via a merger. This due diligence process took nearly five months. Afterwards, each organization's board met separately in late June 2024 and unanimously approved the proposed plan of the merger. The nature and timing of this process did not allow for earlier public communication. We wanted to get the word out as soon as possible, which is why we developed this special edition of *Our Catholic Journey* magazine.

SCAN TO VIEW WEBSITE



**Do you have questions? We want to hear from our Members.**

Email [listening@catholicunited.org](mailto:listening@catholicunited.org) or leave a message at 1-800-255-8411.

Additional FAQs are posted at [catholicunitedfinancial.org/answers](https://catholicunitedfinancial.org/answers).

SCAN TO EMAIL US







# NEXT STEPS WE'RE TAKING

A timeline of upcoming actions, events and milestones

**A**fter exhaustive due diligence, very careful thought and prayerful reflection, the Catholic United Financial Board of Directors has unanimously approved the proposal to join Trusted Fraternal Life's family of fraternal brands. This decision will not be final unless it is ratified by the delegates to the Triennial Business Conference.

This is a big decision, and we want to share information and answer questions face-to-face.

Over the next two months, we'll share updates with all of our members and host listening sessions for your elected delegates.

In September, delegates will vote on this proposal at our Triennial Conference Business Session. If approved, it would then go to the state commerce departments in Minnesota and Wisconsin for review and regulatory approval. If approved, the change would be effective on January 1, 2025.

## JUNE 20

Catholic United Financial Board of Directors voted unanimously to approve proposal.

## JULY - AUGUST

Townhall listening sessions held with delegates.

## OCTOBER - DECEMBER 2024

If delegates approve, respective state departments in Minnesota and Wisconsin review and ratify the proposal.

## JULY 9

Announcement to the Catholic United Financial membership.

## SEPTEMBER 14

Delegates vote on the proposal at the Triennial Conference Business Session.

## JANUARY 1, 2025

With delegate approval and ratification by the respective states, the merger will take effect on this date.



# SUMMARY: PLAN AND AGREEMENT OF MERGER

On pages 10-15, you will find the proposed agreement for Catholic United Financial to join Trusted Fraternal Life's family of fraternal brands. This is the agreement that our Board of Directors carefully developed and unanimously approved after a long due diligence process. We encourage you to examine this legal document and email [listening@catholicunited.org](mailto:listening@catholicunited.org) if you have any questions.

Below are some highlights from the agreement that we want to call to your attention.

## OVERVIEW

This agreement states Catholic United Financial's intention to join Trusted Fraternal Life's family of fraternal brands, pending two things: (1) delegate approval, and (2) approval by the Minnesota and Wisconsin state regulators.

Catholic United Financial would retain its name, brand, mission, and community, while your member experience with our organization would remain.

## MISSION

Catholic United Financial and its local Councils and Parish Volunteer Teams will continue to carry out their Catholic mission as a brand of Trusted Fraternal Life. Councils and Parish Volunteer Teams would continue to:

- Promote fraternalism and charity among members;
- Provide members with insurance and annuity or statutorily permitted benefits that will contribute to the financial well-being of each member and their family;
- Support the Roman Catholic Church in extending the faith, especially by promoting and encouraging Catholic schools, religious education, and vocations to the priesthood and religious life; and
- Strive to be a contributing member of our community.

## COUNCILS AND PARISH VOLUNTEER TEAMS

All Councils and Parish Volunteer Teams of Catholic United Financial would remain and operate as chapters of Trusted Fraternal Life. All members, leaders, budgets, and assets would be retained by the Councils and Parish Volunteer Teams, and each would continue under their current Catholic United Financial name and number.

## INVESTING PRINCIPLES

Catholic United Financial assets would continue to be invested following the United States Conference of Catholic Bishops investment guidelines. These include protecting human life, promoting human dignity, enhancing the common good, pursuing economic justice and saving our global common home.

## BOARD OF DIRECTORS

Two members of Catholic United Financial's Board of Directors would be selected to serve on Trusted Fraternal Life's Board of Directors in early 2025. All members of Trusted Fraternal Life would have the opportunity to vote in the election for future board members of the newly merged company. A Brand Advisory Board of members will be created in 2025 to advise the President of Trusted Fraternal Life on Catholic United Financial's specific purpose, identity, expression and member experience.

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Let us know your questions. Send an email to [listening@catholicunited.org](mailto:listening@catholicunited.org) or leave a message at 1-800-255-8411.

# PLAN AND AGREEMENT OF MERGER



## PREAMBLE

Catholic United Financial and Trusted Fraternal Life are fraternal benefit societies providing insurance and other fraternal benefits to their members. The Boards of Directors of Catholic United Financial and Trusted Fraternal Life have determined that the Parties share common purposes of serving communities, providing financial security and enhancing quality of life.

The Boards of Directors of Catholic United Financial and Trusted Fraternal Life deem it advisable and in the best interests of the Parties and their respective members, that Catholic United Financial merge with and into Trusted Fraternal Life pursuant to the terms and conditions set forth in this Agreement.

THIS AGREEMENT OF MERGER ("Merger Agreement" or "Agreement") is entered into this 27th day of June, 2024, by and between Catholic United Financial, a Minnesota nonprofit corporation and fraternal benefit society, and Trusted Fraternal Life, a Wisconsin nonprofit corporation and fraternal benefit society. Such corporations are hereinafter collectively referred to as the "Parties" and individually as a "Party." The Parties agree as follows:

## ARTICLE ONE MERGER AND CLOSING

Section 1.01 Merger and Effective Time. In accordance with the provisions of Applicable Law and subject to the terms and conditions of this Agreement, Catholic United Financial, will be merged with and into Trusted Fraternal Life (the "Merger") as of 12:00 a.m. central standard time on January 1, 2025, or at such later time as the Parties may agree (the "Effective Time").

Section 1.02 Effect of Merger. On the Effective Time, in accordance with and to the maximum extent of Applicable Law, the Parties will be merged into a single corporation and the separate existence of Catholic United Financial will cease and Trusted Fraternal Life will be the Surviving Society (the "Surviving Society"). The rights, privileges and interests of the Parties, and all property, real, personal and mixed, and all debts due to the Parties on whatever account, including without limitation, premiums, the rights and obligations of any member or employee of the Parties, and other choses in action belonging to the Parties, will be taken and be deemed invested in the Surviving Society without further act or deed. All property, rights, privileges and franchises, and every other interest will be thereafter the property of the Surviving Society as they were of the Parties. The title to any real estate or interest therein, vested by deed or otherwise in the Parties, will not revert or be in any way impaired by reason of the Merger. The Surviving Society will be responsible and liable for all the liabilities and obligations of the Parties, including without limitation, the Parties' obligations to fund and perform on benefit contracts is-

sued by the Parties to their members, any agreements between the Parties and third parties, such as reinsurers, vendors, lessors or employees, the rights and obligations of any employee, including any liability accruing under an employment agreement entered into by a Party and any Parties' pension plan. The rights of the creditors of the Parties, or of any persons dealing with the Parties, will not be impaired by the Merger and any claim existing or action or proceeding pending by or on behalf of the Parties may be prosecuted to judgment as if the Merger had not taken place, or the Surviving Society may be proceeded against or substituted in its place.

Section 1.03 Catholic United Financial Mission. Catholic United Financial and its local Councils and Parish Volunteer Teams will continue to carry out their Catholic mission as a Brand of Trusted Fraternal Life, in accordance with the Bylaws of Trusted Fraternal Life, which includes without limitation:

- Promote fraternalism and charity among members;
- Provide members with insurance and annuity or statutorily permitted benefits that will contribute to the financial well-being of each member and their family;
- Support the Roman Catholic Church in extending the faith, especially by promoting and encouraging Catholic schools, religious education, and vocations to the priesthood and religious life; and
- Strive to be a contributing member of our community.

Section 1.04 Catholic United Financial Members. On the Effective Time, the members of Catholic United Financial, including its limited and associate members, will become members of the Surviving Society, and a part of the Catholic United Financial Brand of Trusted Fraternal Life with the rights, obligations and privileges of membership accruing thereto under the Articles of Incorporation and Bylaws of Trusted Fraternal Life.

Section 1.05 Catholic United Financial Councils and Parish Volunteer Teams. On the Effective Time, all Councils of and Parish Volunteer Teams of Catholic United Financial will continue as subordinate chapters of the Surviving Society and a part of the Catholic United Financial Brand of Trusted Fraternal Life. All members, leaders, and assets will be retained by the Councils and Parish Volunteer Teams and the Councils and Parish Volunteer Teams will continue under their current Catholic United Financial name and number.

The Catholic United Financial Councils and Parish Volunteer Teams will continue under the existing Catholic United Financial match fund program in 2025 and migrate to the match fund program in place for Trusted Fraternal Life as follows: 2026 increase to \$2,000 per year, 2027 increase to \$2,500 per year, and in 2028 the Trusted Fraternal Life annual match fund program in place at that time (currently \$3,000).



Catholic United Financial Councils and Parish Volunteer Teams will continue under the existing Catholic United Financial activity allowance funding model for local programs for 2025 and 2026. In 2027, Catholic United Financial Councils and Parish Volunteer Teams will transition to the Trusted Fraternal Life programmatic activity funding formula in place at that time.

**Section 1.06 Catholic United Financial Investments.** On the Effective Time, the investments of Catholic United Financial will become the investments of the Surviving Society and will be invested in accordance with the Surviving Society's Investment Policy, which is consistent with, and informed by, the United States Conference of Catholic Bishops Socially Responsible Investment Guidelines.

**Section 1.07 Catholic United Financial Credit Union.** The Surviving Society will be substituted for Catholic United Financial as the sponsoring organization of the Catholic United Financial Credit Union (the "Credit Union"). The current officers and board of the Credit Union will continue subject to election or appointment of successors as described in the Credit Union Bylaws. The Surviving Society, by operation of the Merger, will assume all rights and responsibilities of Catholic United Financial under that certain Management, Premises and Services Agreement that it entered into with the Catholic United Financial Credit Union on July 1, 2011, as amended by that certain First Amendment entered into on January 1, 2014, until such agreement as amended is amended or terminated according to its terms.

**Section 1.08 Catholic United Financial Foundation.** The Surviving Society will become the sole member of the Catholic United Financial Foundation (the "Foundation"). It is the intention of the Parties that the President and CEO of the Surviving Society will become the President of the Foundation. All other directors of the Foundation will continue, subject to election of successors as described in the Foundation Bylaws. The Surviving Society, by operation of the Merger, will assume all rights and responsibilities of Catholic United Financial under that certain Management, Premises and Services Agreement that it entered into with the Catholic United Financial Foundation on July 1, 2011, until such agreement is amended or terminated according to its terms.

**Section 1.09 Catholic United Financial General Agency, LLC.** The Surviving Society will become the sole member of the Catholic United Financial General Agency, LLC (the "LLC"), a member managed LLC organized under Minnesota law. The Surviving Society, by operation of the Merger, will assume all rights and responsibilities of Catholic United Financial under the Operating Agreement entered into with Catholic United Financial General Agency, LLC, March 1, 2012.

**Section 1.10 Conventus Now, LLC.** The Surviving Society will become the sole member of Conventus Now, LLC, a Wisconsin LLC. The Surviving Society, by operation of the Merger, will assume all rights and responsibilities of Catholic United Financial under the Amended and Restated Operating Agreement entered into with Trusted Fraternal Life on August 4, 2023.

**Section 1.11 Closing.** The closing of the transactions contemplated by this Agreement (the "Closing") will take place at the time and place as mutu-

ally agreed upon by the Parties, after all conditions to the Parties' obligations set forth in this Agreement have been satisfied or waived by the Party entitled to the benefit of such condition. Following the Closing, the Surviving Society will handle all insurance, corporate and state and federal tax filing responsibilities accruing to Catholic United Financial prior to the Effective Time, including without limitation any filing of Articles of Merger with the Minnesota Office of the Secretary of State.

## ARTICLE TWO GOVERNANCE OF THE SURVIVING SOCIETY

**Section 2.01 Name.** On the Effective Time, the name of the Surviving Society will be Trusted Fraternal Life. On the Effective Time, Catholic United Financial will continue as a Brand of Trusted Fraternal Life as described in Bylaws of Trusted Fraternal Life.

**Section 2.02 Articles of Incorporation and Bylaws of the Surviving Society.** On the Effective Time, the Articles of Incorporation and Bylaws of Trusted Fraternal Life will be the Articles of Incorporation and Bylaws of the Surviving Society. The requirements for membership set forth in Trusted Fraternal Life's Articles of Incorporation and Bylaws and resolutions of its Board of Directors will be the requirements for membership of the Surviving Society. The Surviving Society will not amend the indemnification provisions of its Articles of Incorporation or Bylaws to reduce or eliminate coverage for Catholic United Financial's current and former directors and officers until the expiration of any applicable statute of limitations.

**Section 2.03 Directors.** Subject to Section 2.02 above, the directors of Trusted Fraternal Life in office on the Effective Time will be directors of the Surviving Society and will hold office for the terms for which they have been elected until their successors are duly elected and qualified pursuant to the Articles of Incorporation and Bylaws, as applicable, of the Surviving Society. In addition, one director of Catholic United Financial will be selected by the Trusted Fraternal Life Board of Directors to serve as an elected director on the Trusted Fraternal Life Board of Directors for a term as of the Effective Time through December 31, 2027. An additional director of Catholic United Financial will be appointed to the Trusted Fraternal Life Board of Directors in accordance with the Bylaws of the Surviving Society for a term beginning as of the Effective Time and ending December 31, 2025. The appointed director of Catholic United Financial will be considered for successive annual appointments through December 31, 2027.

**Section 2.04 Catholic United Financial Brand Advisory Board.** The directors of Catholic United Financial in office immediately prior to the Effective Time, other than the directors appointed to the Trusted Fraternal Life Board of Directors under Section 2.03, will constitute the initial Catholic United Financial Brand Advisory Board as described in the Trusted Frater-

the Trusted Fraternal Life Board of Directors to this advisory committee shall affirm this status.

**Section 2.05 Officers and Committees.** All persons who, on the Effective Time, are officers or members of any committee of the board of directors of Trusted Fraternal Life will, on the Effective Time, hold the same office in the Surviving Society as they heretofore held in Trusted Fraternal Life until their successors are duly appointed or elected pursuant to the Bylaws of the Surviving Society. The President and CEO of Trusted Fraternal Life will be the current incumbent President and CEO of the Surviving Society, subject to the selection and removal as provided for by the Surviving Society's Articles of Incorporation and Bylaws, as applicable.

**Section 2.06 Catholic United Financial Employees.** Catholic United Financial and Trusted Fraternal Life will develop and agree to a plan for employment of Catholic United Financial employees and severance for any separated employees of Catholic United Financial (the "Employment and Severance Plan") prior to the Closing. The Employment and Severance Plan will outline terms, benefits, and expectations for continuing employment of Catholic United Financial employees following the Effective Time, terms for severance for any Catholic United Financial employees not continuing employment with the Surviving Society, and the integration or assumption by Trusted Fraternal Life of any pension or benefit plans offered by Catholic United Financial to its employees.

**Section 2.07 Offices.** The home office of the Surviving Society as of the Effective Time will be the home office of Trusted Fraternal Life in Milwaukee, Wisconsin. The Surviving Society will maintain an office in Minnesota at least until December 31, 2027, and will maintain such office for a longer period of time if that is deemed to be in the best interests of serving the Catholic United Financial Brand and the Surviving Society.

**Section 2.08 Indemnifications and Insurance.** Catholic United Financial's directors and officers, both directors and officers serving at the time of Closing and former directors and officers, will be considered directors of the Surviving Society for purposes of (a) the indemnification provided pursuant to the Articles and Bylaws of the Surviving Society and (b) any insurance that the Surviving Society procures for its current and former officers and directors. Catholic United Financial shall procure directors and officers insurance for acts and omissions occurring for a reasonable period of time, not less than three years, prior to the Effective Date, and shall assign its rights thereunder to the Surviving Society effective as of the Effective Date. If the Surviving Society becomes aware of any alleged act, error or violation of fiduciary duty by a director or officer of Catholic

nal Life Bylaws. The members of this advisory board shall not be fiduciaries of Trusted Fraternal Life and shall not have any duties to its members. Any charter or other directive from

United Financial accruing prior to the Effective Time, the Surviving Society will take all reasonable and appropriate action to pursue coverage for such alleged act, error or violation of fiduciary duty, in addition to affording the officer or director the other protections for such acts provided under this Agreement.

## ARTICLE THREE ADDITIONAL AGREEMENTS

**Section 3.01 Transaction Expenses.** Except as otherwise provided in this Agreement, each Party to this Agreement will bear all of its Transaction Expenses, regardless of whether the Transaction is consummated. This includes all fees and expenses relating to the Transaction, including the negotiation of this Agreement, the performance of any obligations under this Agreement and all ancillary agreements hereto, and the consummation of the transactions contemplated hereby and thereby (including, without limitation, the fees and expenses of any attorneys, accountants, financial advisors or other advisors).

**Section 3.02 Further Assurances.** Each Party to this Agreement will take all reasonably appropriate action and execute any additional documents, instruments and conveyances of any kind which may be reasonably necessary to carry out any of the provisions of this Agreement or consummate any of the transactions contemplated hereby or thereby.

**Section 3.03 Confidentiality.** Except as required by Applicable Law, the Parties to this Agreement will hold, and will cause each of their directors, officers, employees, accountants, counsel, financial advisors and other representatives and affiliates to hold, any Confidential Information obtained from the other Party, or their affiliates, advisors and other agents in confidence to the extent required by, and in accordance with the provisions of, the confidentiality agreement dated December 15, 2023, and entered into by and between Catholic United Financial and Catholic Financial Life (the "Confidentiality Agreement"), provided, however, that the obligations of the Surviving Society under the Confidentiality Agreement will expire on the Closing Date as to all Confidential Information, except to the extent that disclosure of such information is prohibited by Applicable Law.

## ARTICLE FOUR CLOSING CONDITIONS

**Section 4.01 Conditions to a Party's Obligations.** The obligations of a Party to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions at or before the Closing Date:

- a. **Representations, Warranties and Covenants.** The representations and warranties agreed to by the Parties will be true and correct as of the date of this Agreement and, except for any such representations and warranties that only speak as an earlier specified date, as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except for such failures of such representations and warranties to be true and correct (without regard to any



materiality qualifier set forth in such representations and warranties) as would not, individually or in the aggregate, have a Material Adverse Effect. Each Party will have performed or complied in all respects with all covenants and agreements of the Party to be performed or complied with on or prior to the Closing Date.

- b. Government Consents. All Government Consents that are required for the consummation of the transactions contemplated by this Agreement have been obtained and will be in full force and effect.
- c. Consents. Any required third-party consents will have been obtained and will be in full force and effect; provided, however, that any such consents not obtained by a Party, but waived by the other Party, will not be an unfulfilled condition.
- d. No Prohibitions. There will not be any pending action or proceeding, before any Governmental Entity, (i) challenging or seeking to make illegal, or to delay or otherwise directly or indirectly restrain or prohibit, the consummation of the transactions contemplated hereby or seeking to obtain material damages in connection with such transactions, (ii) seeking to prohibit direct or indirect ownership or operation by the Surviving Society of all or a material portion of Catholic United Financial assets as a result of the transactions contemplated hereby, (iii) seeking to invalidate or render unenforceable any material provision of this Agreement or (iv) otherwise relating to and materially adversely affecting the transactions contemplated hereby.
- e. Material Adverse Effect. There will not have occurred between the date of this Agreement and the Closing Date any Material Adverse Effect.
- f. Liens. Any Lien on the Catholic United Financial assets (other than Liens permitted in writing by Trusted Fraternal Life) will have been released.
- g. Authorization of Supreme Governing Body. Each Party's supreme governing body, by a resolution duly adopted, has approved this Agreement and the transactions hereby contemplated pursuant to Applicable Law and their Articles of Incorporation and Bylaws.
- h. Employment and Severance Plan. On or prior to the Closing, the Parties have agreed upon an Employment and Severance Plan.
- i. Closing Certificates. At or prior to the closing, each Party will provide the other with a certificate of good standing from its state of domicile, foreign qualifications applicable to its operations, a certificate from its President attesting to and confirming its tax exempt status, and satisfactory evidence that each Party is authorized to transact insurance as a fraternal benefit society in each state where it transacts insurance.

## ARTICLE FIVE TERMINATION

Section 5.01 Termination. This Agreement and the Merger contemplated

thereby may be terminated at any time prior to the Closing Date as follows:

- a. by the mutual written consent of Trusted Fraternal Life and Catholic United Financial;
- b. by either Trusted Fraternal Life or Catholic United Financial if there has been a material misrepresentation, material breach of warranty or breach of covenant on the part of the other Party in the representations, warranties and covenants agreed to by the Parties that has not been cured within thirty (30) days after receipt of written notice of such misrepresentation or breach, but only to the extent that such misrepresentation or breach would have a Material Adverse Effect, provided, however, the Party in breach will have no right to terminate the Agreement under this Section 5.01(b);
- c. by either Trusted Fraternal Life or Catholic United Financial if the transactions contemplated hereby have not been consummated by July 31, 2025, which time will be extended by up to thirty (30) days if notice of a misrepresentation or breach is given under Section 5.01(b) and the Party to whom notice is directed is making a diligent effort to cure such breach or misrepresentations; provided, however, that a Party will not be entitled to terminate this Agreement pursuant to this Section 5.01(c) if such Party's breach of this Agreement has prevented the consummation of the transactions contemplated by this Agreement; or
- d. by either Party, if there will be any order, injunction or decree of any Governmental Entity which prohibits or restrains either Party from consummating the transactions contemplated hereby, and such order, injunction or decree will have become final and non-appealable; provided, however, that prior to termination under this 5.01(d), the Party seeking to terminate this Agreement will have used all reasonable efforts to have such order, injunction or decree vacated.

### Section 5.02 Effect of Termination.

- a. Except for remedies for breach of the Confidentiality Agreement, the sole and exclusive remedy of either Party, prior to the Closing, due to an act or omission of the other Party related to the transactions contemplated by this Agreement will be limited to specific performance or termination under Section 5.01, and not for any damages or costs.
- b. In the event of the termination of this Agreement by either Trusted Fraternal Life or Catholic United Financial as provided in Section 5.01, and subject to Section 6.01, all provisions of this Agreement will terminate, and there will be no liability on the part of Trusted Fraternal Life or Catholic United Financial or their respective members, officers, directors, or agents, except that the provisions of Section 3.03 of this Agreement will survive any such termination.
- c. Each Party will promptly cause to be returned to the other Party all documents and information obtained in connection with Agreement

and the transactions contemplated by this Agreement and all documents and information obtained in connection with that Party's investigations of

the operation and financial and legal affairs of the other Party, including any copies made by a Party or any of their representatives of any such documents or information.

## ARTICLE SIX CONTINUATION AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND POST-CLOSING COMPLIANCE

Section 6.01 Continuation and Survival. The representations and warranties agreed to by the Parties will continue and survive until the Closing Date.

Section 6.02 Compliance with Agreement Terms After Closing. The Surviving Society will be bound by and comply with all of the terms of this Agreement including, but not limited to, those to be performed after the Closing Date. If the Surviving Society fails to comply with a term of this Agreement to be performed after the Closing Date, any member of the Surviving Society may present a written description of the issue to the President and CEO for resolution, and, if not resolved to the member's satisfaction, to the Board of Directors.

## ARTICLE SEVEN MISCELLANEOUS

Section 7.01 Press Releases and Announcements. Prior to the Closing Date, the Parties will cooperate to prepare a press release for issuance upon the Closing, announcing the consummation of the transactions contemplated herein. Other than the foregoing, no Party hereto will issue any press release (or make any other public announcement) related to this Agreement or the transactions contemplated hereby without prior written approval of the other Party, except to the extent that the Party reasonably determines that any such press release or other announcement is necessary in order to comply with any Applicable Law, in which case such Party will consult the other prior to issuing such press release or other announcement.

Section 7.02 Amendment and Waiver. This Agreement may not be amended or waived except in a writing executed by the Party against which such amendment or waiver is sought to be enforced. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

Section 7.03 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agree-

ment will be in writing and will be deemed to have been given when personally delivered or three days after being mailed, if mailed by first class mail, return receipt requested, or when receipt is acknowledged, if sent by facsimile or other electronic transmission device. Notices, demands and communications to Trusted Fraternal Life or Catholic United Financial will, unless another address is specified in writing, be sent to the address indicated below:

### Notices to Trusted Fraternal Life:

John T. Borgen, President and CEO  
Trusted Fraternal Life  
1100 West Wells Street  
Milwaukee, WI 53233-2316

### With a copy (which will not constitute Notice) to:

Todd Martin, Pierson Ferdinand, LLP  
856 Wickersham Ct.  
Sun Prairie, WI 53590

### Notices to Catholic United Financial:

Michael M. Ahles, President and CEO  
Catholic United Financial  
3499 Lexington Ave N  
St. Paul, MN 55126

### With a copy (which will not constitute Notice) to:

Peter Thrane, Stinson, LLP  
50 South 6th Suite 2600  
Minneapolis, MN 55402

Section 7.04 Assignment. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, and neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party hereto without the prior written consent of the other Party hereto.

Section 7.05 Third-Party Beneficiaries. Except for those rights and liabilities assumed by or vested in the Surviving Society pursuant to Section 1.02 or Applicable Law, nothing in this Agreement will confer any rights upon or create any liabilities in any person or entity that is not a Party or permitted assignee of a Party to this Agreement.

Section 7.06 Severability. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under Applicable Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 7.07 Complete Agreement. This Agreement and the other documents referred to herein contain the complete agreement of the Parties and supersede any prior understandings, agreements or representations



by or among the Parties, written or oral, which may have related to the subject matter hereof in any way; provided, however, the Confidentiality Agreement will survive the execution and delivery of this Agreement. The section, paragraph and other headings of this Agreement are for reference purposes and will not affect the meaning or interpretation of the Agreement.

Section 7.08 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

Section 7.09 Signatures; Counterparts. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one Party, but all such counterparts taken together will constitute one and the same instrument. A facsimile or electronic signature will be considered an original signature.

Section 7.10 Governing Law. The internal Applicable Law, without regard for conflicts of laws principles, of the State of Wisconsin will govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement, except to the extent the terms and approval of this Agreement are subject to the regulatory authority of Minnesota law and the Minnesota Department of Commerce.

## ARTICLE EIGHT DEFINITIONS

Section 8.01 Definitions. The following terms have the following meanings for purposes of this Agreement:

"Agreement" has the meaning specified in the introductory paragraph.

"Applicable Law" means any constitution, law, ordinance, rule, principle of common law, regulation, statute, treaty, order, judgment, decree or injunction or other requirements of any jurisdiction applicable.

"Closing" has the meaning specified in Section 1.05.

"Closing Date" means the date on which the Closing occurs.

"Confidential Information" has the meaning defined in the Confidentiality Agreement dated December 15, 2023, and entered into by and between Catholic United Financial and Catholic Financial Life.

"Effective Time" has the meaning specified in Section 1.01.

"Employment and Severance Plan" has the meaning specified in Section 2.06.

"Governmental Entity" means any federal, state, local, foreign, international or multinational entity or authority exercising executive, legislative, judicial, regulatory, administrative or taxing functions of or pertaining to government.

"Lien" means any charge, claim, condition, equitable interest, lien, option,

pledge, security interest, right of first refusal or restriction of any kind.

"Material Adverse Effect"

means a material adverse effect on (i) the financial condition or results of op-

eration of a Party which is reasonably expected to exceed 4% of the current surplus of such Party or (ii) the ability of a Party to consummate the transactions contemplated by this Agreement, other than (a) any material change in the financial, banking, currency or capital markets; (b) conditions and events generally affecting the insurance and reinsurance industry; and (c) conditions or effects resulting from or relating to announcement of this Agreement or the transactions contemplated herein or therein; and (d) any material change in Applicable Law or regulation, including law, regulatory and accounting standards relating to insurance.

"Merger" has the meaning set forth in Section 1.01.

"Parties" and "Party" have the meanings set forth in the opening paragraph.

"Surviving Society" has the meaning set forth in Section 1.02.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

### CATHOLIC UNITED FINANCIAL

By: \_\_\_\_\_

Michael M. Ahles  
President and CEO

Witness: \_\_\_\_\_

### TRUSTED FRATERNAL LIFE

By: \_\_\_\_\_

John T. Borgen  
President and CEO

Witness: \_\_\_\_\_

SCAN TO VIEW WEBSITE



Representations, Warranties and Covenants related to this Plan and Agreement of Merger can be viewed at the web address listed below or by scanning the code to the left: [catholicunitedfinancial.org/triennial-conference/documents](http://catholicunitedfinancial.org/triennial-conference/documents)



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NCUA

