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 similarly situated.

**IN THE CIRCUIT COURT OF THE FIRST CIRCUIT**

**STATE OF HAWAI'I**

19-1-0261-02

DEO

JOSEPH SOONG, individually and on  
 behalf of all others similarly situated,  
  
 Plaintiff,

vs.

HAWAI'I USA FEDERAL CREDIT  
 UNION,  
  
 Defendant.

) Civil No. \_\_\_\_\_  
 ) (Class Action)  
 )  
 ) COMPLAINT; EXHIBIT "A"; DEMAND  
 ) FOR JURY TRIAL; SUMMONS  
 )  
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## CLASS ACTION COMPLAINT

Plaintiff, JOSEPH SOONG, individually and on behalf of himself and all persons similarly situated, sue Defendant, HAWAI'I USA FEDERAL CREDIT UNION, and alleges as follows:

### INTRODUCTION

1. This is a civil action seeking monetary damages, restitution and declaratory relief from Defendant, Hawai'i USA Federal Credit Union ("Hawai'i USA"), arising from the unfair and unconscionable assessment and collection of "Overdraft Fees" ("OD Fees") on accounts that were never actually overdrawn.

2. Besides being deceptive, unfair and unconscionable, these practices breach contract promises made in Hawai'i USA's adhesion contracts—specifically, the promise to charge OD Fees only on transactions which actually overdraw an account—and Hawai'i consumer protection law.

3. In plain, clear, and simple language, the checking account contract documents discussing OD Fees promise that Hawai'i USA will only charge OD Fees on transactions with insufficient funds to "pay" a given transaction.

4. As happened to Plaintiff Joseph Soong ("Plaintiff Soong"), however, Hawai'i USA charges OD Fees even when the transaction has not overdrawn an account. For example, Plaintiff Soong was charged 18 OD Fees on December 5, 2018. But, according to the monthly account statement prepared by Hawai'i USA, *Plaintiff's account balance was not negative for at least 15 of the transactions on which OD Fees were assessed.* By definition, then, there were always funds to "pay" those transactions—yet Hawai'i USA assessed an OD Fee on it anyway.

5. In short, Hawai'i USA is not authorized by contract to charge OD Fees on transactions that have not overdrawn an account, but it has done so and continues to do so.

6. Plaintiff and other Hawai'i USA customers have been injured by Hawai'i USA's practices. On behalf of himself and the putative class, Plaintiff seeks damages, restitution and injunctive relief for Hawai'i USA's breach of contract.

### **PARTIES**

7. Plaintiff Joseph Soong is a natural person who resides in Kona, Hawai'i. Plaintiff has a personal checking account with Hawai'i USA, which is governed by Hawai'i USA's Terms and Conditions of Your Account document.

8. Defendant Hawai'i USA is a credit union with approximately \$1.5 billion in assets. Defendant is one of the largest credit unions in Hawai'i and is headquartered in Honolulu, HI. Hawai'i USA maintains branch locations across the state of Hawai'i.

### **JURISDICTION AND VENUE**

9. The Court has jurisdiction over Defendant and the claims set forth below because this cause is a cause not given by statute to other trial courts and the amount in controversy exceeds the jurisdictional minimum of this Court.

10. Venue is proper in this Circuit pursuant to Hawaii Revised Statutes ("HRS") § 603-36(5) because Defendant is subject to personal jurisdiction here and regularly conducts business in this Circuit, and because all or a substantial part of the events or omissions giving rise to the claims asserted herein occurred and continue to occur in this Circuit.

### **FACTUAL BACKGROUND AND GENERAL ALLEGATIONS**

11. Plaintiff has a checking account with Hawai'i USA.

12. Hawai'i USA issues debit cards to its checking account customers, including Plaintiff, which allows its customers to have electronic access to their checking accounts for purchases, payments, withdrawals and other electronic debit transactions.

13. Pursuant to its standard account agreement, Hawai'i USA charges fees (currently in the amount of \$29) for debit card transactions that purportedly result in an overdraft.

**A. Hawai'i USA Account Documents**

14. Plaintiff's checking account with Hawai'i USA was, at all relevant times, governed by Hawai'i USA's standardized contract for deposit accounts, the material terms of which are drafted by Hawai'i USA, amended by Hawai'i USA from time to time at its convenience and complete discretion, and imposed by Hawai'i USA on all of its customers.

15. In plain, clear, and simple language, the checking account contract documents discussing OD Fees promise that the Hawai'i USA will only charge OD Fees on transactions that "overdraw" an account or do not have sufficient funds to "pay" them:

Overdrafts - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts.

[...]

If a check, item or transaction (other than an ATM or everyday debit card transaction) is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for insufficient funds (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and everyday debit card transactions, if applicable

"Hawai'i USA Terms and Conditions of Your Account," attached as Exhibit A.

**B. Plaintiff's Experience**

16. On December 5, 2018, Plaintiff Soong was assessed 18 OD Fees in the amount of \$29 each—for a total of \$522—on debit card transactions that posted that day. But according to the bank statement issued by Hawai'i USA, his account never went negative for at least 15 of those transactions. In short, Plaintiff had sufficient funds to cover almost all of the transactions that supposedly caused OD Fees.

### CLASS ALLEGATIONS

17. Plaintiff brings this action on behalf of himself and all others similarly situated pursuant to Rule 23 of the Hawai'i Rules of Civil Procedure. This action satisfies the numerosity, commonality, typicality, adequacy, predominance and superiority requirements of Rule 23.

18. The proposed class is defined as:

All Hawai'i USA checking account holders in Hawai'i who, during the applicable statute of limitations through the date of class certification, were charged OD Fees on transactions that did not overdraw their checking accounts.

19. Plaintiff reserves the right to modify or amend the definition of the proposed Class before the Court determines whether certification is appropriate.

20. Excluded from the Class are Hawai'i USA, its parents, subsidiaries, affiliates, officers and directors, any entity in which Hawai'i USA has a controlling interest, all customers who make a timely election to be excluded, governmental entities, and all judges assigned to hear any aspect of this litigation, as well as their immediate family members.

21. The members of the Class are so numerous that joinder is impractical. The Class consist of thousands of members, the identity of whom is within the knowledge of and can be ascertained only by resort to Hawai'i USA's records.

22. The claims of the representative Plaintiff are typical of the claims of the Class in that the representative Plaintiff, like all Class members, was charged OD Fees by Hawai'i USA as

27. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Since the amount of each individual Class member's claim is small relative to the complexity of the litigation, and due to the financial resources of Hawai'i USA, no Class member could afford to seek legal redress individually for the claims alleged herein. Therefore, absent a class action, the Class members will continue to suffer losses and Hawai'i USA's misconduct will proceed without remedy.

28. Even if Class members themselves could afford such individual litigation, the court system could not. Given the complex legal and factual issues involved, individualized litigation would significantly increase the delay and expense to all parties and to the Court. Individualized litigation would also create the potential for inconsistent or contradictory rulings. By contrast, a class action presents far fewer management difficulties, allows claims to be heard which might otherwise go unheard because of the relative expense of bringing individual lawsuits, and provides the benefits of adjudication, economies of scale and comprehensive supervision by a single court.

**CLAIM FOR RELIEF**  
**Violations of Hawai'i Unfair Trade Practice Law**  
**(On Behalf of the Class)**

29. Plaintiff repeats the paragraphs above.

30. This claim is asserted on behalf of the members of the Class pursuant to HRS § 480, *et seq.*

31. Plaintiff is a consumer as defined by HRS § 480-1.

32. HRS § 480-2(a), declares unlawful "unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce."

33. Hawai'i USA violated HRS Chapter 480 and specifically § 480-2(a), by the conduct alleged above including, but not limited to, employing the unfair and deceptive acts and practices

set forth herein. Hawai'i USA's conduct of misrepresenting, concealing, suppressing, or otherwise omitting its actual practices created a likelihood of confusion or of misunderstanding.

34. As redress for Hawai'i USA's repeated and ongoing violations of HRS § 480-2(a), Plaintiff and the Class are entitled to, inter alia, damages, reasonable attorneys' fees and costs, and declaratory relief, pursuant to HRS § 480-13.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff and the Class demand a jury trial on all claims so triable and judgment as follows:

1. Declaring Hawai'i USA's OD Fee policies and practices to be wrongful, unfair and unconscionable;
2. Restitution of all OD Fees paid to Hawai'i USA by Plaintiff and the Class, as a result of the wrongs alleged herein in an amount to be determined at trial;
3. Actual damages in an amount according to proof;
4. Pre-judgment interest at the maximum rate permitted by applicable law;
5. Costs and disbursements assessed by Plaintiff in connection with this action, including reasonable attorneys' fees pursuant to applicable law;
6. Such other relief as this Court deems just and proper.

DATED: Honolulu, Hawaii, February 13, 2019.



JOHN FRANCIS PERKIN  
BRANDEE J.K. FARIA  
JAMES WADE

Attorneys for Plaintiff  
JOSEPH SOONG,  
individually and on behalf  
of all others similarly situated.

# TABLE OF CONTENTS

<b>TERMS AND CONDITIONS</b> .....	2
Important Information About Procedures for Opening a New Account .....	2
Agreement.....	2
Bylaws .....	2
Liability .....	2
Deposits .....	2
Withdrawals.....	3
Ownership of Account and Beneficiary Designation .....	3
Stop Payments.....	4
Telephone Transfers .....	4
Amendments and Termination .....	4
Statements .....	4
Account Transfer.....	5
Direct Deposits.....	5
Temporary Account Agreement .....	5
Right to Repayment of Indebtedness.....	5
Authorized Signer.....	5
Restrictive Legends.....	5
Payment Order of Items .....	5
Pledges .....	6
Check Processing .....	6
Check Cashing.....	6
Indorsements .....	6
Death or Incompetence.....	6
Fiduciary Accounts.....	6
Credit Verification.....	6
Legal Actions Affecting Your Account .....	6
Security .....	7
Telephonic Instructions .....	7
Claim of Loss .....	7
Early Withdrawal Penalties .....	7
Name Changes .....	7
Resolving Account Disputes .....	7
Waiver of Notices .....	7
ACH and Wire Transfers .....	7
Facsimile Signatures.....	8
Inactive.....	8
Unclaimed Property.....	8
Address Changes.....	8
Power of Attorney.....	8
Third Party Endorsements .....	8
<b>ELECTRONIC FUND TRANSFERS</b> .....	9
<b>FUNDS AVAILABILITY DISCLOSURE</b> .....	14

## EXHIBIT "A"



## TERMS AND CONDITIONS OF YOUR ACCOUNT

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT** - To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws, the laws of the state of Hawaii and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

**BYLAWS** - Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. We reserve the right, at any time, to require you to give us written notice of your intent to make a withdrawal from your account at least seven (7) days and up to sixty (60) days before the intended withdrawal. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s). Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after

our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

#### **WITHDRAWALS -**

**Generally** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Postdated checks** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

**Checks and withdrawal rules** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

**Overdrafts** - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

**Multiple signatures, electronic check conversion, and similar transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

**OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION** - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

**Individual Account** - is an account in the name of one person.

**Joint Account - With Survivorship (And Not As Tenants In Common)** - is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

**Revocable Trust or Pay-On-Death Account** - If two or more of you create this type of account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types may: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

**STOP PAYMENTS** - Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was verbal your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**TELEPHONE TRANSFERS** - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

**AMENDMENTS AND TERMINATION** - We may change our bylaws and any term of this agreement. Rules governing changes in rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may close this account if your membership in the credit union terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items and charges to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. At our option, we may suspend your rights to member services if you violate the terms of this agreement. Notice from us to any one of you is notice to all of you. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

**STATEMENTS - Your duty to report unauthorized signatures, alterations and forgeries** - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

**Your duty to report other errors** - In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. You agree that the time you have to examine your statement and report to us will depend on the circumstances.

However, such time period shall not exceed 60 days. Failure to examine your statement and report any such errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any such errors on items identified in that statement and as between you and us the loss will be entirely yours.

**Errors relating to electronic fund transfers or substitute checks** - For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**DIRECT DEPOSITS** - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

**TEMPORARY ACCOUNT AGREEMENT** - If this option is selected, this is a temporary account agreement. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

**RIGHT TO REPAYMENT OF INDEBTEDNESS** - You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accelerate under the note.

In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien.

Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law. For example, neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

**AUTHORIZED SIGNER (Individual Accounts only)** - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. The owner does not give up any rights to act on the account, and the authorized signer may not in any manner affect the rights of the owner or beneficiaries, if any, other than by withdrawing funds from the account. The owner is responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

The owner may terminate the authorization at any time, and the authorization is automatically terminated by the death of the owner. However, we may continue to honor the transactions of the authorized signer until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an authorized signer.

**RESTRICTIVE LEGENDS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for special instructions or "restrictive legends" on every check. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." For this reason, we are not required to honor any restrictive legend placed on checks you write unless we have agreed in writing to the restriction. We are not responsible for any losses, claims, damages, or expenses that result from your placement of these or other special instructions on your checks.

**PAYMENT ORDER OF ITEMS** - The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Our policy is to process ATM and Debit Transactions - in the order in which they are received for the day on which they are processed. We process Checks and similar items - according to the dollar amount with the smallest items being processed first for the day on which they are processed. We process ACH Transactions - according to the dollar amount with the smallest items being processed first for the day on which they are processed.

If a check, item or transaction (other than an ATM or everyday debit card transaction) is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for insufficient funds

(NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and everyday debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

**PLEDGES** - Each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

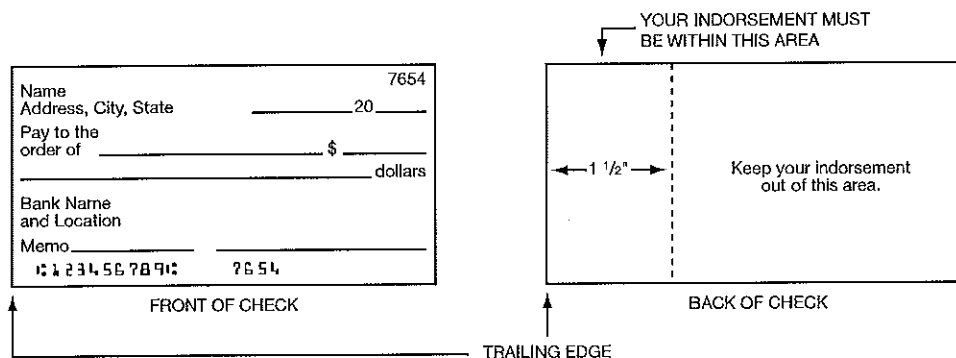
**CHECK PROCESSING** - We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have not failed to exercise ordinary care solely because we use our automated system to process items and do not inspect all items processed in such a manner. Using an automated process helps us keep costs down for you and all account holders.

**CHECK CASHING** - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

**INDORSEMENTS** - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement.

These indorsement guidelines apply to both personal and business checks.

**DEATH OR INCOMPETENCE** - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or becomes legally incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or legal incompetence for up to ten (10) days after your death or legal incompetence unless ordered to stop payment by someone claiming an interest in the account.

**FIDUCIARY ACCOUNTS** - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

**CREDIT VERIFICATION** - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

**LEGAL ACTIONS AFFECTING YOUR ACCOUNT** - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section),

we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

**SECURITY** - It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

You agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as positive pay or commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss.

**TELEPHONIC INSTRUCTIONS** - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

**CLAIM OF LOSS** - If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals)** - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

**NAME CHANGES** - You are responsible for notifying us of any change in your name. Unless we agree otherwise, change of name must be made in writing by at least one of the account holders. Informing us of your name change on a check reorder form is not sufficient.

**RESOLVING ACCOUNT DISPUTES** - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**WAIVER OF NOTICES** - You waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account.

**ACH AND WIRE TRANSFERS** - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing

house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

**FACSIMILE SIGNATURES** - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

**INACTIVE** - We may consider your account to be inactive if there has been no member generated transaction activity for the period noted in our Schedule of Fees and Charges. Credit Union generated fees and charges are not considered as qualified transactions. When an account goes inactive additional security measures must be taken to safeguard the account. We reserve the right to charge an inactivity fee on those accounts that are inactive as specified in our Schedule of Fees and Charges. We will discontinue the fee when the account activity requirements are met.

**UNCLAIMED PROPERTY** - When there has been no member contact for five (5) years and your account(s) have been inactive for five (5) years, the state requires that the funds in these account(s) be forwarded to them as unclaimed property. Once the funds are remitted to the state, your account(s) will be closed and you will need to reclaim the funds by contacting the appropriate state agency. We reserve the right to charge a fee for handling these accounts as specified in our Schedule of Fees and Charges.

**ADDRESS CHANGES** - You are responsible for notifying us of any address change. The credit union is only required to attempt to communicate with you at the most recent address you have provided us. We attempt to keep in contact with you as a security measure and for maintenance of the account at the most recent address you have provided. We require all address changes to be provided in writing. We may impose a service fee to locate you or for maintaining an account that does not have a current mailing address as specified in our Schedule of Fees and Charges.

**POWER OF ATTORNEY** - We must review in advance any Power of Attorney which You grant to others on any account with Us. We reserve the right to refuse to honor any Power of Attorney.

**THIRD PARTY ENDORSEMENTS** - Our general policy is not to accept checks made payable to third parties for deposit or cashing unless approved by us. If approved, checks and other items must be endorsed by all parties to whom the items are made payable along with any proof of identification which we may require.

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## ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

**Electronic Fund Transfers Initiated By Third Parties.** You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your share draft or share savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your share draft or share savings account(s).
- **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.
- **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

**Telephone Transfers - types of transfers** - You may access your account by telephone 24 hours a day at (808) 522-1800 or (800) 884-4100 using your personal identification number, a touch tone phone, and your account numbers, to:

- transfer funds between share draft accounts
- transfer funds between share savings accounts
- transfer funds between share savings and share draft accounts
- make payments from share draft to loan accounts with us
- make payments from share savings to loan accounts with us
- get information about:
  - the account balance of share savings, share drafts, and loan accounts with us
  - recent transaction activity on share savings, share drafts, and loan accounts with us

**ATM Transfers - types of transfers and dollar limitations** - You may access your account(s) by ATM using your ATM card and personal identification number or Debit card and personal identification number, to:

- get cash withdrawals from share draft account(s) with an ATM card
  - you may withdraw no more than \$500.00 per day
- get cash withdrawals from share draft account(s) with a debit card
  - you may withdraw no more than \$500.00 per day
- get cash withdrawals from share savings account(s) with an ATM card
  - you may withdraw no more than \$500.00 per day
- get cash withdrawals from share savings account(s) with a debit card
  - you may withdraw no more than \$500.00 per day
- transfer funds from share savings to share draft account(s) with an ATM card
- transfer funds from share savings to share draft account(s) with a debit card
- transfer funds from share draft to share savings account(s) with an ATM card
- transfer funds from share draft to share savings account(s) with a debit card
- get information about:
  - the account balance of your share draft accounts
    - with an ATM card
    - with a debit card



- the account balance of your share savings accounts
  - with an ATM card
  - with a debit card

Some of these services may not be available at all terminals.

**Types of Debit Card Point-of-Sale Transactions** - You may access your share draft account(s) to purchase goods (in person and online), pay for services (in person and online), and get cash from a merchant, if the merchant permits, or from a participating financial institution.

**Point-of-Sale Transactions - dollar limitations and charges** - Using your card:

- you may not exceed \$5,000.00 in transactions per day, or your available balance, whichever is less
- the charge for your card (whether or not the card is used in the period) is \$1.00 per month

**For security reasons, we may limit the number of transactions and dollar amounts, and impose other restrictions on ATM and point-of-sale transactions.**

**Currency Conversion and Cross-Border Transaction Fees.** If you effect a transaction with your Debit Card in a currency other than US Dollars, MasterCard will convert the charge into a US Dollar amount. The MasterCard currency conversion procedure includes use of either a government-mandated exchange rate, or a wholesale exchange rate selected by MasterCard. The exchange rate MasterCard uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of purchase or the date the transaction was posted to your account.

MasterCard charges us a Currency Conversion Assessment of 20 basis points (.2% of the transaction) for performing the currency conversion. In addition, MasterCard charges us an Issuer Cross-Border Assessment of 90 basis points (.9% of the transaction) on all cross-border transactions regardless of whether there is a currency conversion. As a result, we charge you a Currency Conversion fee of .2% and a Cross-Border Transaction fee of .9%. The Cross-Border Transaction fee is charged on all cross-border transactions regardless of whether there is a currency conversion. A cross-border transaction is a transaction processed through the Global Clearing Management System or the MasterCard Debit Switch in which the country of the merchant is different than the country of the cardholder, also applies to Micronesia.

**MasterCard Zero Liability:**

If you use a MasterCard Debit Card to conduct transactions on the MasterCard network system, including PIN-based transactions at the POS and ATM, you will not be liable for unauthorized transactions, as long as you exercised reasonable care in safeguarding your MasterCard Debit Card from risk of loss or theft, and, upon becoming aware, promptly reported the loss or theft to HawaiiUSA ("Zero Liability"). Zero Liability will apply to cards issued to consumers and for small business programs, but not to other commercial cards. Upon our request, you must provide us with a written statement regarding any claim of unauthorized MasterCard Debit Card transactions.

**Advisory Against Illegal Use.** You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

**Online Banking Computer Transfers - types of transfers** - You may access your account(s) by computer using your password and your user ID, to:

- Review and print transaction registers and statements for your share draft, share savings, share certificate accounts, loans, and Credit Cards.
- Confirm deposits and withdrawals posted to your share draft and share savings accounts.
- Transfer funds between your Credit Union share draft and share savings accounts.
- make payments from share draft to loan account(s) with us
- make payments from share savings to loan account(s) with us
- Check the balance of your share certificate accounts or loan accounts.
- Download transaction history for your accounts to certain financial management programs, spreadsheets and word processors that you may have on your PC. You understand and agree that the transaction histories for your accounts that you access through the service reflect activity through the close of the previous business day.
- If you elect to use Bill Pay, schedule and make bill payments from your designated share draft account to us and third parties.

**Mobile Banking Transfers - types of transfers** - You may access your account(s) through the browser on your mobile device at hawaii-usa.com or through the HawaiiUSA Mobile Banking App using your user identification, password, and be enrolled in HawaiiUSA Online Banking, to:

- transfer funds between share draft accounts
- transfer funds between share savings accounts
- transfer funds between share savings and share draft accounts
- make payments from share draft to loan account(s) with us

- make payments from share savings to loan account(s) with us
- get information about:
  - the account balance of share draft account(s)
  - previous deposits to share draft accounts
  - previous withdrawals from share draft accounts
  - the account balance of share savings account(s)
  - previous deposits to share savings accounts
  - previous withdrawals from share savings accounts

### FEES

- We do not charge for direct deposits to any type of account.
- Please refer to our separate schedule of fees and charges for additional information about fees.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

**ATM Operator/Network Fees.** When you use an ATM not owned by us or a non-Bankoh Bank machine, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

### DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (808) 534-4300 or 1-800-379-1300 to find out whether or not the deposit has been made.
- **Periodic statements.**

You will get a monthly account statement from us for your share draft accounts.

You will get a monthly account statement from us for your share savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

The credit union may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for various types of funds transfers, the cut-off time will be at 5:00 p.m. on each weekday that the credit union is open which is not a holiday. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next following funds transfer business day and processed accordingly.

If the credit union receives a funds transfer for you or for other persons authorized to have access to your account, you agree that the credit union is not obligated to provide you with the next-day notice of the receipt of the funds transfer. The credit union will provide you with notification of the receipt of all funds transfers by including such items in the periodic statements which we provide. You may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.

### PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this brochure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

Please refer to our separate schedule of fees and charges for the amount we will charge you for each stop payment order you give.

- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

## FINANCIAL INSTITUTION'S LIABILITY

**Liability for failure to make transfers.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the automated teller machine where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

## CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) as explained in the separate Privacy Disclosure.

## UNAUTHORIZED TRANSFERS

### (a) Consumer liability.

• *Generally.* Tell us AT ONCE if you believe your card and/or PIN has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum limit of Courtesy Pay and/or overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or PIN, you can lose no more than \$50 if someone used your card and/or PIN without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or PIN, and we can prove we could have stopped someone from using your card and/or PIN without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, PIN or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

• *Additional Limits on Liability for Debit Card.* You will not be liable for any unauthorized transactions using your Debit Card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us.

**(b) Contact in event of unauthorized transfer.** If you believe your card and/or PIN has been lost or stolen, call or write us at the telephone number or address listed in this brochure. You should also call the number or write to the address listed in this brochure if you believe a transfer has been made using the information from your check or draft without your permission.

## ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

HAWAIIUSA FEDERAL CREDIT UNION

1226 COLLEGE WALK

HONOLULU, HAWAII 96817

Business Days: Monday through Saturday

Excluding Federal Holidays

Phone: (808) 534-4300 or 1-800-379-1300

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

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## YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to "transaction" accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Share draft accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy.

Our policy is to make funds from your cash, check, and electronic direct deposits available to you immediately. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

### LONGER DELAYS MAY APPLY

**Case-by-case delays.** In some cases, we will not make all of the funds that you deposit by check available to you immediately. Depending on the type of check that you deposit, funds may not be available until the third business day after the day of your deposit. The first \$200 of your deposits, however, will be available the next business day.

If we are not going to make all of the funds from your deposit available immediately, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

**Safeguard exceptions.** In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$5,000 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

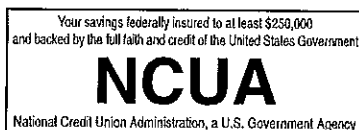
We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the eighth business day after the day of your deposit.

### SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available immediately if the deposit meets certain conditions. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.



IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

JOSEPH SOONG, individually and on behalf of all others similarly situated,

Plaintiff,

vs.

HAWAII USA FEDERAL CREDIT UNION,

Defendant.

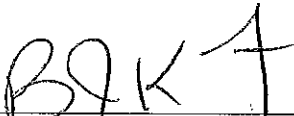
Civil No. 19-1-0261-02  
(Class Action)

DEMAND FOR JURY TRIAL

**DEMAND FOR JURY TRIAL**

Plaintiff JOSEPH SOONG, individually and on behalf of all others similarly situated, hereby demands a trial by jury as to all issues so triable in the above-entitled cause.

DATED: Honolulu, Hawaii, February 13, 2019.

  
\_\_\_\_\_  
JOHN FRANCIS PERKIN  
BRANDEE J.K. FARIA  
JAMES WADE

Attorneys for Plaintiff  
JOSEPH SOONG,  
individually and on behalf  
of all others similarly situated.

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

19-1-0261-02

JOSEPH SOONG, individually and on behalf of all others similarly situated,

Plaintiff,

vs.

HAWAII USA FEDERAL CREDIT UNION,

Defendant.

) Civil No. \_\_\_\_\_  
) (Class Action)

) SUMMONS

SUMMONS

STATE OF HAWAII

To the above-named Defendant(s):

You are hereby summoned and required to file with the Court and serve upon PERKIN & FARIA, LLLC, attorneys for Plaintiff, whose address is Davies Pacific Center, 841 Bishop Street, Suite 1000, Honolulu, Hawaii 96813, an answer to the Complaint which is herewith served upon you, within twenty (20) days after service of this Summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the Complaint.

This Summons shall not be personally delivered between 10:00 p.m. and 6:00 a.m. on premises not open to the general public, unless a judge of the above-entitled court permits, in writing on this Summons, personal delivery during those hours.

A failure to obey this Summons may result in an entry of default and default judgment against the disobeying person or party.

DATED: Honolulu, Hawaii, FEB 13 2019, 2019.

J. KUBO  
CLERK OF THE ABOVE-ENTITLED COURT

