



# APPEAL INCORPORATED

**CREDIT UNION PRESENTATION FOR  
PROSPECTIVE MEMBERS AND SUPPORTERS**



# APPEAL INCORPORATED

Association of People for Pan-Africanist Economic Advancement thru Leverage

A venture facilitating **economic empowerment** and **educational enrichment** by conducting workshops in financial literacy and historical & cultural literacy, having a think tank, and developing a full-service credit union focused on serving communities of people of African descent, locally, nationally and globally.

***“It’s About Empowerment!”***

Here is our **APPEAL** to you...

*NOTE: Legal support for this endeavor is provided by the Community Development Law Clinic of the University of the District of Columbia, David A. Clarke School of Law.*



# Founder & Executive Director

## Lasana K. Mack



- **Treasurer of the District of Columbia (Washington, DC) for seven years (2005-2012), a position comparable to a state treasurer and city treasurer due to DC's unique municipal status**
- **Successfully managed the finance and treasury functions of DC Government, an entity with a \$10 billion annual operating budget and \$1 billion annual capital budget, including cash management; banking operations; debt management—including bond issuances to finance infrastructure development; investment management; budgeting; accounting**
- **Master of Business Administration (M.B.A.) degree in Finance**
- **Founder, director and artist with a music ensemble, "BlackNotes", known for producing progressive and quality music with a dynamic blend of several cultural arts elements emanating from African and African American heritage**



# Board of Directors, Officers and Committees

## BOARD OF DIRECTORS

- N'Maat Ankhmeni
- Anthony T. Browder
- Kelechi Egwim
- Brandon Green
- Frank Narmer John
- Lasana K. Mack
- Malik Muhammad

## EXECUTIVE OFFICERS

- Lasana K. Mack, Executive Director
- Malik Muhammad, Treasurer
- Akua Oparebea Johnson, Secretary

## COMMITTEES

- Socio-Economic Analysis and Education – Makini N. Owusu, Chairperson
- Financial Literacy – Lasana K. Mack, Acting Chairperson
- Membership, Recruitment and Marketing – Daraja Asili, Chairperson
- Credit Union Planning – Lasana K. Mack, Chairperson

Attorney Advisor: Kemit Mawakana, Esq.



# APPEAL

## Definition & Mission

### PAN-AFRICANIST ECONOMIC ADVANCEMENT THRU LEVERAGE

#### What Is Pan-Africanist Economic Advancement thru Leverage?

- **Pan-Africanism** is a concept that represents the perspective that people of African descent (i.e., “Black people” or “African people”) in America, in Africa and around the world represent a broad ethnic group and a broad extended family with a common African-based heritage, and that it is important for this extended family to take certain unified and collective actions to improve our plight in our communities, locally, nationally and internationally, in terms of economic, political, social, cultural and educational status and conditions.
- **Leverage** is a physics term and a finance term that conveys utilizing a pivotal device, utilizing a strategic advantage, or utilizing credit strategically in order to produce favorable or enhanced outcomes.



# APPEAL

## Definition & Mission

### MISSION

**A**ssociation of

**P**eople for

**P**an-Africanist

**E**conomic

**A**dvancement thru

**L**everage

- Combining these two terms with a focus on economic advancement defines APPEAL and produces its mission.
- **APPEAL's mission is to organize and strategically utilize the vast resources of people of African descent, locally, nationally and globally, to facilitate economic empowerment and educational enrichment to produce strong, self-sufficient and prosperous communities.**

APPEAL, Incorporated is a non-profit corporation and an association.  
(501(c)(3) tax-exempt status is pending)





# The Credit Union

## APPEAL Federal Credit Union



- One of APPEAL's objectives is the creation of a credit union for its membership: **APPEAL Federal Credit Union (AFCU)**
- **AFCU plans to begin as an on-line-only credit union, accessible to APPEAL members wherever they may be located, with state-of-the-art on-line operations. We intend to open physical branches in various locations over time, starting with Washington, DC, where APPEAL is based; however, we want to stress that AFCU will, from its inception, be accessible and fully functional (on-line) for APPEAL members all over, locally, nationally and internationally.**



# The Credit Union

## APPEAL Federal Credit Union

- Unlike banks, credit unions are owned equally by all members, and thus are not operated to generate a profit for a relatively small ownership or shareholder group as banks are. AFCU will utilize all of its resources to efficiently provide financial services and products to its members at relatively favorable rates. Any AFCU profits will be reinvested in AFCU for the benefit of members, or distributed to members in the form of dividends.
- There is a broad-based movement to withdraw support from big banks and move money into local and community-based financial institutions that provide more advantageous financial services and a better opportunity for people and communities to control their financial and economic futures, and APPEAL's creation of a credit union is consistent with that dynamic.
- AFCU will be established based on an Associational Common Bond, meaning that members of APPEAL, Inc., a non-profit association, will have the benefit of being eligible to become members of AFCU.





# The Credit Union

## APPEAL Federal Credit Union

- **AFCU will be a full-service credit union, a financial institution offering a complete array of banking services and products, similar to a typical bank. It will be a first-class, state-of-the-art financial institution.**
  - **Services to be provided by AFCU are expected to include:**
    - **Checking and savings accounts**
    - **On-line banking**
    - **Various investment instruments for depositors**
      - **through third-party networking arrangements in accordance with federal securities law guidelines**
    - **Credit and debit cards**
    - **Automobile loans**
    - **Home improvement loans**
    - **Home mortgage loans**
    - **Business loans and investments—locally, nationally and internationally—targeted towards meeting APPEAL’s mission**
  - **A portion of AFCU’s loans and leveraging of depositor funds will be targeted to:**
    - **Finance business development to build infrastructure for economically self-sufficient Black/African communities**
    - **Facilitate increased utilization of Africa’s mineral wealth for the benefit of African/Black people and communities**

*Note: In accordance with current law, AFCU’s business loans would be limited to the lesser of 12.25% of total assets and 1.75 times the net worth of the credit union.*



# Requirements for APPEAL & Credit Union Membership

## APPEAL MEMBERSHIP REQUIREMENTS

- **Annual Dues: \$50.** Must make initial dues payment of \$50 to become a member, and must pay annual dues of \$50 to be a member in good standing. These funds are used to support APPEAL's operations and program activities.
- Must sign a pledge of commitment to the Mission of APPEAL
- Must be approved for membership by APPEAL's Board of Directors

## CREDIT UNION (AFCU) MEMBERSHIP REQUIREMENTS

- Must be a member of APPEAL in good standing
- Must make an initial deposit and complete other steps to open an account in AFCU when it comes into fruition



# Allocation and Handling of Funds

**TOTAL AMOUNT REQUESTED FROM NEW MEMBERS: \$150 \***

**(A) Membership Dues for APPEAL, Inc.: \$50**

- Funds utilized to cover APPEAL's operating expenses, based on annual budget approved by APPEAL's Board of Directors
- Support for financial literacy programs
- Support for historical & cultural literacy programs
- Support for think tank activities
- Support for Credit Union (AFCU) business plan development and application process
- Support for APPEAL operating facilities

**(B) APPEAL Credit Union Start-Up Costs Fund: \$50**

- Funds to be used to cover AFCU start-up costs and first-year operating costs, including hardware & software expenses
- Funds deposited in an escrow account, meaning they cannot be withdrawn or used for anything other than the designated purpose
- Funds held in an interest-bearing deposit account, with interest earnings credited to the Start-Up Costs Fund
- Accumulation of these funds in advance of AFCU's opening is required to demonstrate viability to the chartering entity (NCUA) and is necessary for success of the endeavor

**(C) Advance Deposit for Member's Credit Union Acct.: \$50**

- Funds to be used to open your (the depositor's) account in the credit union (AFCU) when its charter application is approved by the National Credit Union Administration (NCUA)
- Funds deposited in an escrow account, meaning they cannot be withdrawn or used for anything other than the designated purpose
- Funds will be held in an interest-bearing deposit account, with interest earnings credited to depositor's account
- Accumulation of these funds in advance of AFCU's opening strengthens AFCU's charter application and its launching

■ Funds in the two escrow accounts will not be used or withdrawn prior to approval of the AFCU charter application. In the event that the charter application is not approved, these funds will be refunded to depositors/contributors, with interest. See page 23.

\* Anyone may contribute or deposit more than the amounts shown above in any or all of the 3 funding categories shown above, and we encourage that to help meet our goals. See page 19 (next).



# Allocation and Handling of Funds

- Contributions to APPEAL for its Operations and/or for the Credit Union Project
  - Contributions shall become tax-deductible, retroactively, if and when APPEAL’s pending application for 501(c)(3) tax-exempt status is approved, which is expected in tax year 2013
- Premium Contribution Levels:
  - **\$100,000 – Garvey Support Level**      – **\$10,000 – Sojourner Support Level**
  - **\$50,000 – Tubman Support Level**      – **\$5,000 – Malcolm Support Level**
  - **\$25,000 – King Support Level**      – **\$1,000 – Nkrumah Support Level**
  - Each Contributor shall receive a framed classic photo or portrait of the historical figure identified with his/her support level and all those at lower support levels. For example, a contributor at the Sojourner Support Level will receive framed classic photos/portraits of Sojourner Truth, Malcolm X and Kwame Nkrumah.
  - Smaller contributions are welcomed. Contributions can be made to either or both of the following funds:



## APPEAL Operations Development Fund

- Funds utilized to cover APPEAL’s operating expenses, based on annual budget approved by APPEAL’s Board of Directors
- Support for financial literacy and historical & cultural literacy educational programs
- Support for think tank activities
- Support for Credit Union (AFCU) business plan development and application process
- Support for APPEAL operating facilities

## APPEAL Credit Union Start-up Costs Fund

- Funds to be used to cover Credit Union (AFCU) start-up costs and first-year operating costs, including hardware & software expenses
- Funds deposited in an escrow account, meaning they cannot be withdrawn or used for anything other than the designated purpose
- Funds held in interest-bearing deposit account at market rates, with interest earnings credited to the Start-up Expenses Fund
- Accumulation of these funds in advance of AFCU’s opening is required to demonstrate viability to the chartering entity (NCUA) and is necessary for success of the endeavor



# Membership/Funding REQUIREMENTS, TARGETS & SOURCES

## MEMBERSHIP:

- **Requirement:** A minimum of 3,000 members is recommended to demonstrate viability of the credit union venture to the chartering entity.
- **Target:** Our membership target is 500 per month, for a total of 4,000 members by December 2013. Ultimately, we expect our membership numbers to be much higher than this.
- **Sources:** There are approx. 40 million African Americans and approx. one billion African/Black people worldwide. We expect to attract those who see the value in our mission and see the value in APPEAL as a vehicle with tremendous potential for improving our collective plight!





# Membership/Funding REQUIREMENTS, TARGETS & SOURCES

## FUNDING:

- **Requirements:** Minimums of \$100,000 for APPEAL's operating budget and \$500,000 for Credit Union Start-up Costs Fund are needed by December 2013.
- **Targets:** Our funding targets are \$1 million in each of the 3 funding categories: APPEAL Operations Development Fund, Credit Union Start-up Costs Fund, and Credit Union Advance Deposits (see pages 18 & 19), by December 2013. Ultimately, we project APPEAL and its credit union (AFCU) being a multi-billion dollar enterprise, which will allow us to accomplish our objective of having a large-scale impact on the socio-economic conditions of people of African descent.
- **Sources:** Meeting the membership target of 4,000 will provide for a substantial amount of the funding requirements; additional contributions will facilitate us achieving the funding requirements and targets (see pages 18 & 19). Black people in America alone have a collective purchasing power of approx. \$1 trillion annually. Ultimately, widespread support from those who see the value in our mission is expected to result in APPEAL and AFCU becoming a multi-billion dollar enterprise.



# Timeframes

- **NOVEMBER 2012**
  - Official establishment of APPEAL, Incorporated
- **NOVEMBER 2012 thru MAY 2013**
  - Establishment of Committees, Development of Program Activities, Development of Website
  - Planning and Preparation for Launching
- **MAY 2013**
  - Launch Party and Presentation; Launch of Website
  - Launch of Membership Recruitment and Funding Efforts
- **JUNE 2013**
  - Financial Literacy and Historical & Cultural Literacy Workshops Begin
  - Think Tank Activities Begin
  - Work on Chartering Application for Credit Union Begins
- **DECEMBER 2013**
  - Achieve Membership and Funding Targets for Credit Union Application
  - Submit Credit Union Chartering Application to NCUA
- **2014 (month TBD)**
  - Charter Application Approval and Opening of Credit Union



# Deposit Disclosure

The funds deposited or contributed for purposes associated with the prospective credit union (AFCU) referred to in this presentation shall be deposited in escrow account(s), meaning that such funds are not permitted to be withdrawn or used for any purpose other than the designated purposes. These funds shall be considered “Escrow Deposits.” The Escrow Deposits shall be placed in interest-bearing deposit instruments, at prevailing market interest rates. All or some portion of these deposit instruments might not be covered by Federal deposit insurance and might not be backed by or guaranteed by the full faith and credit of the U.S. Government. Based on the conservative nature of the deposit instruments being utilized, it is expected that there will be not be a loss of principal on any of the Escrow Deposits. However, there is no guarantee that there will not be a loss of principal on any of the Escrow Deposits, and APPEAL, Inc. is not guaranteeing to the depositor/contributor that there will be no loss of principal on any Escrow Deposits. The Escrow Deposits will not be used or withdrawn prior to approval by the National Credit Union Administration of the AFCU application for a credit union charter. In the event that, for whatever reason, AFCU’s charter application is not approved, then a) at the conclusion of the application process, including any process of re-applying or appealing a disapproval decision, or b) after three (3) years have elapsed since the time a particular Escrow Deposit was made, whichever comes sooner between a) and b), the payer of such Escrow Deposit shall be refunded the full principal amount of his/her Escrow Deposit—except, in the event of a loss of principal associated with the Escrow Deposits, the payer shall be refunded the remaining pro-rata share of the principal amount of his/her Escrow Deposit—with appropriate market rate(s) of interest applied to such Escrow Deposit amount, and with such calculated interest added to the principal amount and included in the refunded amount.



# Contact Information

**APPEAL, Inc. and the  
APPEAL Credit Union project  
need your support!**

To become a member of APPEAL, make a contribution, get further information,  
or make an inquiry, visit our website or contact us directly:

**WEBSITE:**

[www.APPEALinc.org](http://www.APPEALinc.org)

**EMAIL:**

[info@APPEALinc.org](mailto:info@APPEALinc.org)

**PHONE:**

800-711-7851

**We want to hear from YOU! We look forward to your participation in this important endeavor!  
*Thank you in advance for your support!***



**Thank  
You!**

**APPEAL, Incorporated**

***“IT’S ABOUT EMPOWERMENT!”***

**TOGETHER WE WILL SUCCEED!**

***Lasana K. Mack***  
***Executive Director***  
***APPEAL, Incorporated***

***We look forward to your participation in this important endeavor!***  
***Thank you in advance for your support!***