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8

9

10   UNITED STATES DISTRICT COURT

11   DISTRICT OF ARIZONA

12

13   OneAZ Credit Union, an Arizona   Case No. 2:17-cv-00745-PHX-ROS
     credit union,
14
                                             AMENDED COMPLAINT
15   Plaintiff,

16   v.
                                             [Demand For Trial By Jury]
17   Neudesic, LLC, a California limited
     liability company,
18
                          Defendant.
19

20   Neudesic, LLC, a California
     Limited liability company,
21

22   Counterclaimant,

23   v.

24   OneAZ Credit Union, an
     Arizona credit union,
25

26   Counter-defendant.

27

28

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1   Plaintiff OneAZ Credit Union ("OneAZ") for its amended complaint against

2   defendant Neudesic, LLC ("Neudesic"), alleges as follows:

3   **THE PARTIES**

4   1.   Plaintiff OneAZ is an Arizona credit union with its principal place of

5   business in Phoenix, Arizona.

6   2.   Defendant Neudesic is a California limited liability company that conducts

7   business in Arizona.

8   3.   Upon information and belief, all acts complained of herein were conducted

9   by Neudesic or its authorized agents.

10   **JURISDICTION AND VENUE**

11   4.   The Court has subject matter jurisdiction, at a minimum because Neudesic

12   removed this case to this Court under 28 U.S.C. § 1441 in view of 28 U.S.C. § 1332.

13   Upon information and belief, all Neudesic's members are citizens of California. Before

14   removal, the Maricopa County Superior Court had subject matter jurisdiction under

15   A.R.S. § 12-123 and Ariz. Const. Art. VI § 14.

16   5.   The Court has personal jurisdiction over Neudesic because, among other

17   reasons, Neudesic has purposefully availed itself of the benefits and protections of

18   Arizona law by doing business in Arizona. Neudesic's Arizona business contacts and

19   activities form the foundation of the operative facts giving rise to the present action.

20   Neudesic executed a contract with OneAZ to perform services for OneAZ in the state of

21   Arizona and performed services for OneAZ in the state of Arizona.

22   6.   Maricopa County in the state of Arizona is the place of principal injury or

23   damage related to the actions of the defendant described in this Complaint.

24   7.   Venue is proper in this district under 28 U.S.C. § 1391 and, before removal,

25   was proper in Maricopa County under A.R.S. § 12-401.

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STATEMENT OF FACTS

2   8.   Founded in 1951, OneAZ is the largest state-chartered federally insured

3   credit union in Arizona. OneAZ operates twenty-two branches and ten off-premise ATM

4   locations across Arizona.[1]

5   9.   OneAZ purchased its customer relationship management ("CRM") system

6   from Microsoft Corporation ("Microsoft") as part of an effort to modernize, including

7   integrating, certain of its customer relationship-related information technology systems.

8   Microsoft supported OneAZ's conversion to the new CRM system, called Dynamics

9   CRM.

10   10.   On or about April 6, 2015, OneAZ issued a request for proposals ("RFP")

11   for implementation of "Phase 1" of its new CRM system. The RFP specifically stated that

12   one of the top issues facing OneAZ was that it had no experienced staff to perform data

13   integration into the CRM system.

14   11.   On or about April 30, 2015, Neudesic submitted a proposal to OneAZ in

15   response to OneAZ's RFP.

16   12.   Neudesic's April 30, 2015, proposal made substantial representations

17   regarding Neudesic's understanding of OneAZ's project needs, as well as Neudesic's

18   expertise that could be applied to help identify and meet those needs. Neudesic

19   represented, for example, that

20   •   "perhaps no company brings together more experts in more disciplines than

21   Neudesic";

22   •   "Neudesic is a Microsoft National Systems Integrator (NSI) and Managed

23   Gold Certified Partner with a proven record of accomplishment in providing

24   reliable, effective solutions based on Microsoft's technology platform"; and

25

26

27   [1]   In or about December 2015, OneAZ changed its name from Arizona State
      Credit Union to OneAZ Credit Union. It began using OneAZ Credit Union as its name in
28   or about May 2016.

1   • "Neudesic's big strength is our ability to leverage our company's deep

2   enterprise system integration skills . . . ."

3   13.   Neudesic's April 30, 2015, proposal suggested that OneAZ engage

4   Neudesic to undertake a "Discovery Sprint Zero" project under which Neudesic would

5   apply its purported expertise comprehensively in order to help OneAZ identify its CRM

6   project needs before even embarking on Phase 1.

7   14.   After consideration of Neudesic's April 30, 2015, proposal, OneAZ instead

8   selected Hitachi Solutions America, Ltd. ("Hitachi") to perform the CRM implementation

9   project.

10   15.   Microsoft recommended that OneAZ bring in Neudesic for a precursor

11   phase of the CRM implementation effort: to integrate data from OneAZ's five key

12   customer relationship systems and make the data available to the new CRM system.

13   16.   On or about July 30, 2015, Neudesic and OneAZ executed an initial

14   statement of work ("SOW"), Statement of Work AZSTCU Enterprise Integration and

15   Azure Support – ARI072115 ("SOW ARI072115"), for the integration project. A true

16   and correct copy of SOW ARI072115 is attached as Exhibit 1.

17   17.   SOW ARI072115 reflected the retention of Neudesic to perform the

18   suggested "Sprint 0" for OneAZ. SOW ARI072115 represented the cost of "Sprint 0" as

19    $70,440 – an amount that OneAZ ultimately paid.

20   18.   SOW ARI072115 was governed by a certain Master Services Agreement

21   ("MSA") between OneAZ and Neudesic, executed on or about May 13, 2013. A true and

22   correct copy of the MSA is attached as Exhibit 2.

23   19.   The MSA provided that the parties would negotiate one or more statements

24   of work to identify the scope of services, the period of performance, and the work product

25   that Neudesic would provide to OneAZ.

26   20.   Under the MSA, Neudesic promised that it would not reassign any

27   professional staff associated with a particular SOW without OneAZ's written permission.

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21.   Under the MSA, Neudesic was responsible for "determin[ing] the method, details and means" for the performance of its work.

22.   Under the MSA, Neudesic "warranted" that "all" its consulting services would be performed in a "professional and workmanlike manner" and that it had sufficient staff and other resources to do the work.

23.   Under the MSA, Neudesic promised to timely communicate issues in order to mitigate any losses that might otherwise be incurred by OneAZ.

24.   Under the MSA, Neudesic's work product was subject to OneAZ's approval or rejection after notification of completion.

25.   The MSA gave OneAZ "a period of ten (10) days after notification of completion, to reject any work product by means of written notice to NEUDESIC that sets forth in sufficient detail the reason that said work product is not accepted."

26.   The MSA contained the following termination provision:

> 5.2 Termination:
>
>   (A) Following Breach: Either Party may terminate this Agreement if the other Party remains in breach of this Agreement for more than 10 days following written notice from the non-breaching Party. Such termination shall become effective immediately upon written notice to the breaching Party.

27.   Neudesic understood that it was responsible for successful delivery of the data integration platform, including extraction and transformation of OneAZ's data files from OneAZ's five customer relationship systems and loading them for use by the CRM system. Neudesic also understood that other phases of the OneAZ modernization project—to be implemented by third parties—were dependent upon Neudesic completing the data integration project. If Neudesic did not complete this first and necessary phase of the modernization project, the entire project would be delayed or rendered infeasible—at a great cost to OneAZ.

28.   In entering into the data integration project, OneAZ relied on Neudesic's purported specialized skills and knowledge to bring about an effective data integration

1   environment, including associated extraction, transformation, and load ("ETL") process,

2   that was beyond OneAZ's own skills or knowledge to formulate and implement. OneAZ

3   reasonably relied on Neudesic's advice and consultation to OneAZ on how best to

4   formulate the integration project. OneAZ also understood from Neudesic that Neudesic's

5   solution would be a turnkey solution, i.e., one that would allow OneAZ to provide any

6   needed support in-house once the integration was completed. Neudesic, based on its

7   purported specialized skills and knowledge, determined the means and method for

8   performing its proposed solution.

9   29.   OneAZ trusted and confided in Neudesic to complete the integration project

10   using Neudesic's best efforts, but also in a manner that best suited OneAZ's needs.

11   OneAZ trusted Neudesic to create a solution that was in the best interests of OneAZ, not

12   one that was in the best interests of Neudesic. OneAZ gave Neudesic access to OneAZ's

13   data systems and resources to complete the integration project. Neudesic therefore had

14   greater knowledge as to the status of the integration project and its eventual success than

15   OneAZ, and OneAZ relied upon Neudesic's superior knowledge. Because of Neudesic's

16   purported specialized skill and greater access to information, OneAZ trusted Neudesic's

17   recommendations and status reports, relying on Neudesic's expertise to determine the next

18   steps for the integration project and in making investment decisions concerning that

19   project.

20   30.   Though Neudesic had promised a "deep dive" in Sprint 0 to understand

21   OneAZ's customer relationship system data, Neudesic did not deliver on this promise. On

22   information and belief, notwithstanding Neudesic's representations of expertise, Neudesic

23   did not undertake the investigation necessary to determine how OneAZ's systems

24   gathered and stored their data, let alone perform the analysis that should have been

25   performed to understand the effort that would be necessary to extract, transform, and load

26   that data into the new CRM system. Moreover, Neudesic did nothing to make OneAZ

27   aware of these deficiencies in Neudesic's efforts and knowledge.

28

1   31.   Rather, Neudesic induced OneAZ on or about September 22, 2015, to

2 execute another statement of work, Statement of Work AZSTCU – Integration and DW

3 Crawl Phase Support – ARI092215 ("SOW ARI092215"). A true and correct copy of

4 SOW ARI092215 is attached as Exhibit 3.

5   32.   SOW ARI092215 summarized Neudesic's work under this SOW as the

6 "initial implementation of [OneAZ's] Enterprise integration platform connecting Appro,

7 Raddon, ChexSys, Mortgage Cadence and Core with Dynamics CRM" and

8 implementation of "foundational aspects of a data warehouse focused on Self Service

9 capabilities."

10   33.   Neudesic agreed to integrate the following systems with the CRM Online

11 platform: Core/Spectrum (membership information), Appro (loan information), Mortgage

12 Cadence (loan information), Raddon (demographic information), and ChexSys (FICO

13 information).

14   34.   Based on Neudesic's hourly assessments and the alleged experience of the

15 team it compiled, the represented cost of the deliverables under SOW ARI092215 was

16 $481,604 – an amount that OneAZ ultimately paid.

17   35.   SOW ARI092215 was governed by the MSA.

18   36.   From the outset, Neudesic made misrepresentations to OneAZ concerning

19 the MSA, the SOWs, and Neudesic's capabilities and performance thereunder. Neudesic

20 represented that it would apply its specialized knowledge and skills to help OneAZ design

21 and implement a data integration process that was in OneAZ's interest to select, and not

22 one that was in Neudesic's interest for OneAZ to select. Neudesic represented that it

23 would create a self-service data warehouse for OneAZ, as outlined in SOW ARI092215,

24 that would not require any outside support. Neudesic represented that the data integration

25 process would be self-service going forward and would not require any outside support.

26 And Neudesic further represented that it had and would use experienced individuals to

27 complete the scopes of work under the MSA.

28

37.   Neudesic, however, knew no later than when it entered into SOW ARI092215, and the later scopes of work, that it would not create a self-service data warehouse or data integration process that was self-service or functioned consistent with OneAZ's best interests moving forward, notwithstanding Neudesic's representations to the contrary to OneAZ. In fact, Neudesic did not even complete a data warehouse, let alone one that was self-service. And Neudesic planned to, and eventually did, build a data integration model that required regular outside support. Neudesic did so in the hopes that OneAZ would eventually hire Neudesic to provide that regular outside support, for which OneAZ would have to pay Neudesic on an ongoing basis.

38.   No later than when it entered into SOW ARI092215, Neudesic intended to use individuals whose experience was less than that which was represented to OneAZ and did not justify the fees that Neudesic would charge to OneAZ. Neudesic did so to reap a greater profit under SOW ARI092215, and the later SOWs, than it would have earned had it used the personnel that Neudesic represented to OneAZ would be used. The inexperienced Neudesic team failed to include required information in the weekly status reports and failed to grasp basic concepts of OneAZ's business, such as the fact that OneAZ's members' information—addresses and telephone numbers, for example—are not static.

39.   The data integration project was fraught with problems from the outset. Neudesic spent months fixing code defects of its own making, beginning from the communication of the first defect on approximately November 30, 2015, through at least August 2, 2016. In order to deal with the numerous defects, Neudesic triaged and pushed off resolving some of the defects to later project phases.

40.   Neudesic used outdated software in its data integration work.

41.   Neudesic exhausted project funding for SOW ARI092215 less than four months into the project, on January 6, 2016, even though Neudesic had nothing to deliver to OneAZ.

1   42.   Throughout the life of the project, Neudesic concealed from OneAZ the

2   extent of the problems and misrepresented the status and health of the project. Neudesic

3   routinely indicated in its status reports that the project was progressing properly (indicated

4   by a "green" status). On the rare occasions when the project's status was indicated as

5   poor (signaled by a "red" status), Neudesic told OneAZ that the "red" status was due to a

6   lack of funds or lack of an executed contract. Even when Neudesic identified issues, it

7   reported them to OneAZ as minor issues that would not stop project progress, and/or

8   attempted to mislead OneAZ into thinking that the issues were not Neudesic's fault and/or

9   were naturally to be expected notwithstanding Neudesic's promise to deliver a functional

10   and effective data integration platform to OneAZ.

11   43.   For example, the status report for November 16, 2015, misrepresented the

12   project status as "green." Neudesic reported that it was on schedule to provide data to the

13   CRM system by the next week, November 25, 2015.

14   44.   But, on November 25, 2015, Neudesic failed to deliver the data to the CRM

15   system. Yet in the status report of November 30, 2015, Neudesic again reported the

16   project's status as "green" even though it just missed a deadline.

17   45.   Because Neudesic had run out of money, it demanded another statement of

18   work. On or about February 3, 2016, Neudesic and OneAZ executed Statement of Work

19   AZSTCU Crawl Go-Live Support – ARI011516 ("SOW ARI011516), which estimated

20   the further cost of the integration project as another $188,900 – an amount that OneAZ

21   ultimately paid. A true and correct copy of SOW ARI011516 is attached as Exhibit 4.

22   46.   SOW ARI011516 was governed by the MSA.

23   47.   In the status report for February 16, 2016, Neudesic identified the status as

24   "red." Despite the funds provided from SOW ARI011516, the status report stated, "We

25   are in red as we are scheduled to exhaust our existing budget this week. We will need to

26   align with [OneAZ] on a mitigation strategy." Neudesic also reported that it does not

27   have "a QA environment to load real data into" and thus "can't test the QA ETL process

28   from Domain to CRM Stage" – a smokescreen designed to obscure the fact that Neudesic

1   had not performed its integration work properly. Neudesic, however, concealed the

2   severity of the issues by also reporting, "this won't stop progress with current work in

3   flight" and only that it may cause some delays. Neudesic knew that its inability to load

4   real data was a major problem and would cause more than "minor" delays. Neudesic

5   failed to properly disclose to OneAZ this major issue and the potential ramifications for

6   completion of the project. Resolving this issue, along with others, delayed the integration

7   project by several months and unnecessarily cost OneAZ several hundred thousand

8   dollars.

9   48.   The very next week, in its status report, Neudesic elevated the status of the

10 integration project to "yellow" and stated, "We are now code complete for Phase 1. This

11 is a major milestone reached and keeps us on track for the 2/29 Go-Live" – which was

12 more than a month after the originally-targeted "go live" date of January 18, 2016. Even

13 crediting Neudesic's excuses, there was still, for example, no QA environment to load

14 "real" data into. Thus, Neudesic represented that the project improved and was on

15 schedule when in fact a major problem even according to Neudesic's own self-serving

16 narrative still was unresolved.

17   49.   Neudesic engaged in the foregoing (and other) deceit and obfuscation in

18 order to ensure that OneAZ would continue to fund the project with Neudesic, to induce

19 OneAZ to commit additional funds to Neudesic for the project, and to attempt to hide

20 from OneAZ the real reasons for the project's failures.

21   50.   Because OneAZ's CRM implementation could not proceed without the

22 completion of the Neudesic data integration project, the "go live" deadline was extended

23 to March 14, 2016.

24   51.   On or about March 7, 2016, Neudesic and OneAZ executed Change Order

25 #01 to SOW ARI011516 ("Change Order #01), which estimated the further cost of the

26 project as an additional $42,760 – an amount that OneAZ ultimately paid. A true and

27 correct copy of Change Order #01 is attached as Exhibit 5.

28   52.   Change Order #01 was governed by the MSA.

1   53.   Despite the further funding, Neudesic still could not complete the project.

2   As a result, on or about March 24, 2016, Neudesic and OneAZ executed Change Order

3   #02 to SOW ARI011516 ("Change Order #02), which estimated the further cost of the

4   project as another $42,760 – an amount that OneAZ ultimately paid. A true and correct

5   copy of Change Order #02 is attached as Exhibit 6.

6   54.   Change Order #02 was governed by the MSA.

7   55.   On or about March 31, 2016, Neudesic and OneAZ executed Statement of

8   Work AZSTCU Integration Support – ARI030917 ("SOW ARI030917), for integrating

9   Redport's SmartBanker. The estimated cost of SOW ARI030917 was $186,400 – an

10   amount that OneAZ ultimately paid. A true and correct copy of SOW ARI030917 is

11   attached as Exhibit 7.

12   56.   SOW ARI030917 was governed by the MSA.

13   57.   Redport's SmartBanker was never integrated.

14   58.   On April 5, 2016, Hitachi was brought in as program manager to attempt to

15   see the data integration project through to completion.

16   59.   Facilitated by Hitachi, on April 28, 2016, representatives from Neudesic,

17   Hitachi, and OneAZ met to define and agree upon the definition of "done," i.e., project

18   completion. The parties agreed on the definition of done at that meeting.

19   60.   Neudesic failed to achieve the definition of done agreed to by the parties.

20   And Neudesic continued to ask for more money without any timetable or plan to complete

21   the definition of done.

22   61.   After multiple sets of code changes, load failures, and remaining defects,

23   OneAZ approached Microsoft management about the repeated failures. Microsoft

24   management stepped in and assisted with the data integration project.

25   62.   Microsoft management attempted to move the integration project forward.

26   On or about June 13, 2016, Microsoft and Neudesic executed Business Investment Funds

27   (BIF) Statement of Work ("BIF SOW"). A true and correct copy of the BIF SOW is

28   attached as Exhibit 8.   Under the BIF SOW, Microsoft paid Neudesic a $90,000 fee to

1 fund Neudesic's "[a]ssistance with Definition of Done (DOD) and Data Governance

2 deliverables for Phase 1 – Operationalization," due on or before June 17, 2016.

3   63.   The BIF SOW identified the deliverables that Neudesic was required to

4 provide to OneAZ by no later than June 17, 2016 (yet another extension of Neudesic's

5 already continued deadline).

6   64.   In relation to the BIF SOW, Neudesic and OneAZ also executed Statement

7 of Work AZSTCU Phase I Operationalization Support – ONE050616 ("SOW

8 ONE050616"). A true and correct copy of SOW ONE050616 is attached as Exhibit 9.

9   65.   SOW ONE050616 was governed by the MSA.

10   66.   Under SOW ONE050616, Neudesic agreed to complete several project

11 deliverables.

12   67.   The estimated cost for SOW ONE050616 was $97,170, which was funded

13 entirely by Microsoft and Neudesic.

14   68.   Neudesic continued to miss project deadlines. The deadline for the BIF

15 SOW was extended to June 24, 2016, and again to June 28, 2016, when Neudesic failed to

16 complete and deliver the services required under the BIF SOW.

17   69.   Even with Microsoft's additional funding and Hitachi's help, as of June

18 2016, Neudesic had failed to produce the deliverables it agreed to in the BIF SOW and

19 SOW ONE050616. Moreover, Neudesic had not reached the definition of done to which

20 it agreed, let alone a functioning and effective data integration for OneAZ's

21 modernization project.

22   70.   As of July 14, 2016, Neudesic still had not completed the data integration

23 project. OneAZ discovered more problems with Neudesic's work. For example, member

24 financial records were commingled in the CRM, i.e., one member's financial records (e.g.,

25 loan or deposit information) could be seen in another member's account profile, in the

26 data configuration developed by Neudesic. This, among other things, rendered

27 Neudesic's work useless.

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71.   At OneAZ's request, in mid-July 2016, Microsoft completed an assessment of Neudesic's work. Microsoft indicated that it found "unreliability" and "different points of failure." And Neudesic had developed a data integration configuration that would require frequent outside support.

72.   In a July 22, 2016 letter, OneAZ's counsel sent notice to Neudesic of its breach of the MSA ("Notice of Breach"). A true and correct copy of the Notice of Breach is attached as Exhibit 10.

73.   OneAZ's Notice of Breach identified numerous breaches, including but not limited to, instances of commingled individuals' account data in the deposit summary and loan summary, data aligned with the wrong member, undocumented databases, and missing data.

74.   Pursuant to the MSA, OneAZ gave Neudesic 10 days from the date of its Notice of Breach to cure the breaches.

75.   In a July 26, 2016 letter to OneAZ, Neudesic claimed that the breaches identified in the Notice of Breach were either outside the scope of work or were "maintenance" issues.

76.   In a later letter, however, Neudesic changed its tune. It acknowledged numerous issues with Neudesic's integration work. In fact, on August 11, 2016, Neudesic offered a written plan of remediation (the "Remediation Plan"). A true and correct copy of the Remediation Plan is attached as Exhibit 11.

77.   Neudesic refused, however, to commit to a core timeline on its Remediation Plan, a plan that would only fulfill a reduced scope of its contractual obligations.

78.   Neudesic failed to cure its breaches during the 10 day cure period or at any time thereafter.

79.   Neudesic did not perform any work with OneAZ after August 15, 2016.

80.   On September 26, 2016, OneAZ terminated the MSA (the "Termination Letter"). A true and correct copy of the Termination Letter is attached as Exhibit 12.

1   81.   Neudesic's failure to satisfactorily complete its obligations adversely

2 affected Hitachi's ability to properly complete its portion of the work on the OneAZ

3 modernization project.

4   82.   OneAZ paid Neudesic $1,077,784, more than $350,000 beyond the cost that

5 Neudesic represented for the data integration project and integrating Redport's

6 SmartBanker. Yet, Neudesic was unable to deliver a functioning integration platform, let

7 alone all the deliverables it agreed to. In fact, Neudesic's work product is not usable.

8   83.   No later than March 2017, OneAZ successfully implemented a data

9 integration solution through Unifi Software, Inc. ("Unifi"). Unifi successfully completed

10 the integration effort at substantially lower cost than Neudesic had proposed in SOW

11 ARI092215, let alone the $1 million plus that OneAZ ultimately paid to Neudesic. Unifi

12 did so without any benefit from Neudesic's work, which Microsoft concluded needed to

13 be completely replaced.

14   84.   At a minimum, because Neudesic failed to complete the promised data

15 integration, OneAZ suffered damages that Neudesic knew would occur. OneAZ was

16 required to purchase a three-year license commitment for the CRM software, which cost

17 approximately $388,000, but OneAZ was unable to use the CRM software without

18 completion of the integration project. OneAZ was unable to utilize the CRM system for

19 onboarding until well after its scheduled implementation. The onboarding process was

20 supposed to be completed by August 2016. OneAZ was set to make hundreds of

21 thousands of dollars annually in additional onboarding-related income. Due to Neudesic's

22 failure to complete the integration project, OneAZ was delayed in beginning the

23 onboarding process. And Neudesic's integration architecture used BizTalk, which cost

24 $58,779. Neudesic gave OneAZ no indication that Neudesic's BizTalk-based work would

25 not yield a successful integration solution. But Neudesic's work failed, necessitating

26 implementation of a solution that did not use BizTalk.

27   85.   Neudesic failed to deliver, and misrepresented its capabilities to deliver, a

28 data integration solution consistent with OneAZ's best interests.

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86. Neudesic failed to communicate sufficient information to OneAZ to enable OneAZ to make informed decisions regarding entry into and implementation of the data integration project.

87. Neudesic misrepresented and/or concealed the project's status and costs.

88. Neudesic failed to utilize employees with the skills and knowledge required to properly and timely execute the MSA and SOWs.

89. Neudesic represented that the integration project would not require regular outside maintenance after its completion, which would have been in the best interests of OneAZ, and instead developed the integration model to require regular outside maintenance, which was in the best interests of Neudesic.

COUNT I: BREACH OF CONTRACT

90. OneAZ hereby incorporates by reference each of the allegations in the preceding paragraphs of this Complaint as though fully set forth herein.

91. There is a valid and enforceable contract between OneAZ and Neudesic.

92. OneAZ complied with the material provisions of the contract and has a right to seek relief under the contract.

93. Neudesic breached the contract.

94. OneAZ was damaged as a result of Neudesic's breaches.

95. OneAZ is entitled to its attorneys' fees and costs under the MSA and as permitted by law.

COUNT II: BREACH OF THE IMPLIED COVENANT OF
GOOD FAITH AND FAIR DEALING

96. OneAZ hereby incorporates by reference each of the allegations in the preceding paragraphs of this Complaint as though fully set forth herein.

97. OneAZ and Neudesic entered into valid and enforceable contract.

98. Implied in every contract is a covenant of good faith and fair dealing, which imposes a duty of good faith and fair dealing on the parties to the contract.

1   99.   OneAZ complied with the material provisions of the contract and has a right

2   to seek relief under the contract.

3   100.   All conditions required for Neudesic's performance under the contract

4   occurred.

5   101.   Neudesic injured OneAZ's right to receive the benefits that flow from the

6   contract.

7   102.   OneAZ was harmed by Neudesic's conduct.

8   103.   OneAZ is entitled to its attorneys' fees and costs under the MSA and as

9   permitted by law.

10   ### COUNT III: FRAUD

11   104.   OneAZ hereby incorporates by reference each of the allegations in the

12   preceding paragraphs of this Complaint as though fully set forth herein.

13   105.   Neudesic made representations to OneAZ concerning its capabilities, the

14   quality and magnitude of work it would perform on the integration project, and the status

15   of the project as it went forward.

16   106.   Neudesic knew that these representations were false at the time they were

17   made and had no intention of performing consistent with those representations.

18   107.   The representations were material and Neudesic intended that OneAZ would

19   rely on those representations in the manner Neudesic reasonably contemplated.

20   108.   OneAZ, who did not know the representations were false, reasonably and

21   justifiably relied on the truth of Neudesic's representations to OneAZ's detriment.

22   109.   As a result, Neudesic's misrepresentations caused damages to OneAZ.

23   ### COUNT IV: BREACH OF FIDUCIARY DUTY

24   110.   OneAZ hereby incorporates by reference each of the allegations in the

25   preceding paragraphs of this Complaint as though fully set forth herein.

26   111.   Neudesic represented that it had specialized knowledge and skills to perform

27   the integration project.

28

1   112.   OneAZ engaged Neudesic to do the integration project because Neudesic

2 purportedly had specialized knowledge and skills to perform the project.

3   113.   Neudesic knew that OneAZ engaged Neudesic at least in part because of

4 Neudesic's supposed specialized knowledge and skills.

5   114.   OneAZ relied on Neudesic's purported specialized knowledge and skill.

6   115.   Neudesic voluntarily assumed a position of trust and confidence with

7 OneAZ with respect to the integration project.

8   116.   OneAZ reasonably placed trust and confidence in Neudesic's specialized

9 knowledge, skill, and integrity and reasonably relied on Neudesic to properly disclose to

10 OneAZ matters within the ambit of Neudesic's knowledge, skill, and integrity concerning

11 the project, including but not limited to the capabilities of Neudesic and its personnel to

12 properly undertake the project, the advisability of OneAZ's entry into and contemplated

13 implementation of the project, the progress of the project, proper accounting and

14 disclosure of project costs and expected costs, and maintenance requirements going

15 forward.

16   117.   Neudesic took advantage of OneAZ's trust and confidence without

17 OneAZ's knowledge or consent.

18   118.   Neudesic and OneAZ had a fiduciary relationship.

19   119.   Neudesic owed OneAZ the fiduciary duty of care.

20   120.   Neudesic owed OneAZ the duty to provide full information.

21   121.   Neudesic owed OneAZ a duty to provide proper accounting.

22   122.   Neudesic breached its fiduciary duty to OneAZ.

23   **COUNT V: COMMON COUNT – MONEY HAD AND RECEIVED**

24   123.   OneAZ hereby incorporates by reference each of the allegations in the

25 preceding paragraphs of this Complaint as though fully set forth herein.

26   124.   Neudesic received money that was intended to be used for the benefit of

27 OneAZ.

28   125.   That money was not used for the benefit of OneAZ.

1   126.   Neudesic has not given the money to OneAZ.

2   127.   As a direct and proximate result of Neudesic's wrongful conduct, it has

3   gained money at the expense of OneAZ and OneAZ seeks restitution of those amounts.

4   **PRAYER FOR RELIEF**

5   WHEREFORE, Plaintiff OneAZ respectfully requests judgment against Neudesic

6   for the following:

7   A.   Judgment against Neudesic for past and future costs, losses, and all other

8   damages sustained by OneAZ as a result of the improper and illegal actions identified

9   above;

10   B.   Judgment against Neudesic for disgorgement and restitution of the amounts

11   OneAZ paid to Neudesic;
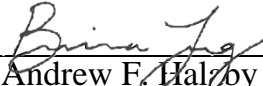
12   C.   Pre- and post-judgment interest to the maximum extent permitted by law;

13   D.   An award of OneAZ's attorneys' fees and costs to the maximum extent

14   permitted by law; and

15   E.   Such other and further relief as the Court deems just under the

16   circumstances.

17

18

19   DATED this 25th day of August, 2017.

20   SNELL & WILMER L.L.P.

21

22   By: _____
23   Andrew F. Halaby
                                    Patrick W. Kelly
24   Brianna L. Long

25   *Attorneys for Plaintiff/Counter-*
                                    defendant OneAZ Credit Union
26

27

28

DEMAND FOR JURY TRIAL

OneAZ hereby demands a trial by jury of all claims triable by jury.

DATED this 25th day of August, 2017.

SNELL & WILMER L.L.P.

By: _____
Andrew F. Halaby
Patrick W. Kelly
Brianna L. Long

*Attorneys for Plaintiff/Counter-
defendant OneAZ Credit Union*

4827-4951-2012

Snell & Wilmer
L.L.P.
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

Exhibit 1

∩EUƆESIC

STATEMENT OF WORK
AZSTCU ENTERPRISE INTEGRATION AND AZURE SUPPORT
ARIZONA STATE CREDIT UNION
ARI072115

Michael Brown, Sr. Enterprise Client Executive
michael.brown@neudesic.com
O: (602) 604-4044   F: (602) 604-4944
www.neudesic.com

EXECUTIVE SUMMARY

Arizona State Credit Union ("Client") has engaged Neudesic to provide consulting services from Neudesic to conduct a Sprint 0. This Statement of Work (SOW) focuses on the initial implementation of their Enterprise integration platform (BizTalk) and Azure environments. During the Sprint 0 engagement, Neudesic will gather the necessary information to assist AZSTCU in setting the direction and scope of the Enterprise integration and Azure cloud services initiatives.

SCOPE OF WORK

Neudesic will assign the resources below to Client for the number of hours indicated. The resources shall be directed by Client to assist with architectural guidance and strategy around the following current initiatives:

- Project Initiation, Finalize/Document Requirements
- Mutual Discovery
    - Raddon Integration Requirements
    - Appro Integration Requirements
    - Mortgage Cadence Integration requirements
    - Core System Integration Requirements (high level)
    - Data Warehouse/CRM Requirements
    - Define Success Criteria for Integration
- Create System Architecture Document
- Install BizTalk Server in Development Environment *
- Create Azure Account/Environment
- Create Raddon Connector
- Create a demonstrable Appro Connector showing integration with SQL
- Core System Requirements/API Review
- Document Core System API
- Development Implementation Plan for Core System, Appro, Mortgage Cadence and Raddon
- Document Phase I Solution

DELIVERABLES

That following is a list of the high-level deliverables produced upon the conclusion of the Sprint 0 engagement:

- Proposed System Architecture
- Proposed Conceptual Architecture
- Raddon Connector Requirements
- Appro Connector Requirements
- Mortgage Cadence Connector Requirements
- Core System Connector Requirements
- BizTalk Development Environment
- Working Raddon Connector in BizTalk
- Working example of Appro Connector in BizTalk
- Data Warehouse Requirements
- Phase I Implementation Plan

ESTIMATED COSTS

Work will be performed by Neudesic on a time and materials basis and Client will be charged for actual hours worked per the rate table below. A Change Order will be required in the event that Client would like to extend the term of this engagement beyond what is stated below.

Technical Resource	Estimated # of Hours	Standard Hourly Rate	Discount Hourly Rate	Cost
Managing Consultant	40	$365	$215	$8,600
Solution Architect	120	$279	$197	$23,640
BI Architect	80	$279	$197	$15,760
Senior CS Consultant	120	$261	$187	$22,440
Totals (w/o QA)	360			$70,440
	Pre-bill (20%)-Due Upon Receipt		$14,088	

In the event that a technical resource is not available locally, Client shall also be responsible for all reasonable travel related expenses pertaining to this engagement. Specifically, Client shall reimburse Neudesic for each technical resource's weekly flights home, surface transportation, food and lodging.

ASSUMPTIONS

1. Microsoft Azure will be the platform for hosting the Integration and Database environments.

Note: The BizTalk Development environment can be configured onsite utilizing AZSTCU hardware or on an Azure VM. Microsoft Azure provides for the ability to create an Azure VM that is preconfigured and will reduce the installation time for the required environment.
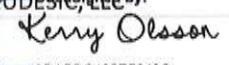
2. Initial Integrations will be one way and flow from AZSTCU to Azure.

3. Access to the Core System API will be available to the Neudesic Team.

CUSTOMER RESPONSIBILITIES

1. AZSTCU will provide the necessary Hardware and Software to create a Development Environment (MSDN Premium will be required).

2. AZSTCU will provide Neudesic an Azure Portal Account for the Development environment.

3. Client will have the appropriate environment for the on-site portion of the work.

4. The appropriate resource(s) within the Client technical team will be identified by the client and their manager made aware of the time investment required from them.

5. Client will notify the relevant project stakeholders, support staff and development team(s) of Neudesic's involvement in the project.

6. Client will provide Neudesic with a list of key project personnel, including their job title, project role and e-mail address, to facilitate coordination of meetings and other related fact-finding activities.

7. Client will provide access to all necessary on-site facilities, including office space, computer equipment, internet access, and test and monitoring equipment unless otherwise agreed upon between Client and Neudesic.

8. Client will provide access to and copies of relevant technical and business information.

9. Client will provide a project leader as your primary point of contact with us and to provide technical direction to our personnel performing the services.

APPROVALS

This Statement of Work is executed by and between the undersigned parties pursuant to the terms and conditions of the Master Services Agreement (MSA) between the parties dated March 22, 2013.

Arizona State Credit Union	NEUDESIC, LLC
X _____ Date 7/27/2015	DocuSigned by: Kerry Olsson
Sean Azhadi, CIO	X ___9DABBC485E5643C___ Date July 30, 2015 | 08:
	Kerry Olsson / Client Partner

Exhibit 2

NEUDESIC

MASTER SERVICES AGREEMENT

This Master Services Agreement ("Agreement") is dated __March 22_____, 2013, and is entered into by Neudesic, LLC, a California limited liability company ("NEUDESIC"), having a principal office at 8105 Irvine Center Drive, Suite 1200, Irvine, California, 92618, and _Arizona State Credit Union("Client"), having an office at __2355 W. Pinnacle Peak Rd. Phoenix, AZ 85027 NEUDESIC and Client are collectively referred to in this Agreement as "Parties."

RECITALS

A.   WHEREAS, NEUDESIC is in the business of providing software development consulting services; and

B.   WHEREAS, Client wishes to engage NEUDESIC for the purpose of obtaining such consulting services according to the provisions contained herein and according to the provisions in one or more Statements of Work (hereinafter defined) which shall be made a part of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, NEUDESIC and Client agree as follows:

AGREEMENT

1.   **SOW, SCHEDULE & STAFFING**

    1.1   **Statement of Work:** Following execution of this Agreement, the Parties shall in good faith negotiate and enter into one or more supplemental documents, each identified as a "Statement of Work," (abbreviated "SOW" in this Agreement) which shall identify the scope of the consulting services to be provided by NEUDESIC, the estimated costs associated with those services, the period of performance and the work products to be produced by NEUDESIC.

    1.2   **Schedule:** The schedule for performance of the consulting services, and any work products connected thereto will be set forth in a SOW. If at any time NEUDESIC anticipates that it will not reach one or more milestones within a period of performance set forth in a SOW, NEUDESIC shall immediately inform Client by written notice and submit proposed revisions to the period of performance and related milestones for Client's review. NEUDESIC will also prepare and submit weekly status reports, if requested by Client, covering topics including: (A) work accomplished during the prior work week; (B) work to be accomplished during the current work week; (C) hours/costs incurred during the prior work week; (D) cumulative hours/costs incurred to date; and (E) any variances between budgeted hours/costs and actual hours/costs.

    1.3   **Staffing:** All staffing for the work performed for Client shall be mutually agreed upon by the Parties. NEUDESIC shall not reassign any professional staff associated with a particular SOW without the prior written permission of Client. In the event that a member of the professional staff leaves NEUDESIC or the project for any reason, NEUDESIC agrees to provide replacement staff that has the requisite qualifications to accomplish the remainder of the assignment(s). NEUDESIC shall be responsible for bearing the cost of such replacement, including the reasonable costs of training to bring

such replacement current on all project activities. Client reserves the right to request the replacement of any ineffective or non-performing personnel at NEUDESIC's sole expense.

1.4   Background Investigation: NEUDESIC represents and warrants that it has performed a thorough pre-employment background check for all NEUDESIC staff that will be involved in performance of services under this Agreement. All such background checks are done by a third-party background investigation firm in compliance with all federal and state statutes, and involve the following: (A) verification of an employee's three (3) most recent prior employers, and all prior employment within the past five (5) years (includes dates of employment, title, and eligibility for rehire); (B) performance of a multi-jurisdictional criminal records search at the highest court in all counties where the employee has resided, worked, or attended school in the past seven (7) years (any misdemeanor convictions, felony convictions, open arrest warrants, and/or related activities are reported, and are grounds for dismissal of an employee); (C) performance of a search of an employee's connection to his/her social security number to determine if there is any background information that was not reported by that individual during a multi-jurisdictional search; and (D) verification of an employee's driver's license and driving record for the absence of excessive tickets or accidents, reckless driving, driving under the influence and involuntary vehicular manslaughter. Given the foregoing, CLIENT AGREES THAT CLIENT SHALL NOT BE PERMITTED TO CONDUCT BACKGROUND CHECKS ON ANY NEUDESIC STAFF WITHOUT NEUDESIC'S PRIOR WRITTEN CONSENT IN EACH INSTANCE.

2.   CHANGES

2.1   Change Order: Changes to this Agreement or any SOW (each a "Change Order") shall be in effect, only if they are set forth in writing and mutually agreed to by the Parties.

2.2   Conflict: The terms of this Agreement shall govern any/all work done by NEUDESIC for Client under any SOW. In the event that there is a conflict between the terms of this Agreement and a particular SOW, the terms of this Agreement shall prevail unless the SOW expressly modifies a term herein.

3.   PRICING

3.1   Hourly Rates: NEUDESIC reserves the right to increase the hourly rates set forth in a SOW on an annual basis, however agrees that each annual increase shall not exceed five percent (5%).

3.2   Reimbursable Expenses: Client agrees to reimburse NEUDESIC for those expenses incurred by NEUDESIC in connection with this Agreement or a SOW, provided that such reimbursable expenses are mutually agreed to by Client and NEUDESIC. Along with each expense invoice, NEUDESIC will provide receipts for only those expenses that are in excess of twenty-five dollars ($25.00).

3.3   Retainer: Prior to the commencement of work under each SOW, NEUDESIC will submit a "retainer invoice" to Client in the amount of twenty-percent (20%) of the amount of the SOW (the "Retainer"). NEUDESIC shall hold the Retainer in reserve until the end of the project, and will thereafter apply the Retainer to the final project invoice(s), or refund the Retainer to Client if the project is completed under budget.

4.   INVOICES, PAYMENT TERMS AND PAYMENT

4.1   Payment Terms: Unless modified by terms and/or conditions set forth in a SOW, NEUDESIC will invoice Client weekly (on a time/materials basis) for work performed during the preceding week. Payment terms shall be Net 30 from date of each invoice. NEUDESIC reserves the right to pull resources off of a project, or to suspend performance under a SOW if any undisputed invoices become past due. Client shall remit all payments to NEUDESIC by check or by wire transfer

pursuant to wiring instructions listed on each invoice issued by NEUDESIC. If Client desires to issue a purchase order ("PO") on connection with any SOW, such PO shall reference this Agreement, and the applicable SOW, and shall be sent to billing@neudesic.com. Any terms or conditions within any PO issued by Client that are in addition to, inconsistent with, or different from the terms and conditions of this Agreement or the applicable SOW will be of no force or effect. In the event of a late payment by Client, NEUDESIC may assess a finance charge of 1.5% per month on any overdue balance, or portion thereof. NEUDESIC's failure to assess such a charge from time to time does not invalidate its right to do so in the future or to impose a finance charge retroactively.

4.2   **Disputed Charges:** Client shall remit full payment for all invoices without offset. If there is a dispute over a charge within a particular invoice, within three business days of receipt of such invoice, Client shall notify NEUDESIC in writing of the reason why payment of said invoice (in whole or in part) is in dispute. In the event only part of the invoice is in dispute, Client shall pay the remainder of the contested invoice in accordance with the payment terms cited herein. Upon resolution of any disputed invoice, Client shall pay the amount agreed to by the Parties within 10 business days after resolution of such dispute.

5.   TERM AND TERMINATION

5.1   **Term:** The term of this Agreement shall commence on the date that this Agreement is signed by both Parties below, and shall remain in effect until terminated in accordance with Section 5.2 of this Agreement (the "Term").

5.2   **Termination:**

(A)   **Following Breach:** Either Party may terminate this Agreement if the other Party remains in breach of this Agreement for more than 10 days following written notice from the non-breaching Party. Such termination shall become effective immediately upon written notice to the breaching Party.

(B)   **For Convenience:**   Both Parties have the right to terminate this Agreement (and any SOW) for convenience upon 30 days advance written notice to the non-terminating Party. Upon such termination, Client shall pay NEUDESIC for all services rendered and any reimbursable expenses incurred up to and including the effective date of termination.

6.   ACCEPTANCE OF WORK PRODUCT

6.1   **Standard:** Each work product is subject to Client's approval or rejection once notified by NEUDESIC that the work product is complete. Client's acceptance or rejection of a work product must be reasonable, in good faith, and based solely upon the guidelines provided in this Agreement and the applicable SOW.

6.2   **Acceptance Period:** Unless otherwise specified, Client shall have a period of ten (10) days after notification of completion, to reject any work product by means of a written notice to NEUDESIC that sets forth in sufficient detail the reason that said work product is not accepted. The work product will be considered accepted if a notice of rejection is not received by NEUDESIC within the time period designated as the acceptance period.

6.3   **Client Obligation:** Client acknowledges that the completion of work product delineated in a SOW may depend on and/or require Client's commitment of certain resources. Client agrees to provide such resources and not to withhold its acceptance of work product where NEUDESIC's failure to complete such product within the agreed upon period of performance is a direct result of Client's failure to provide such resources.

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7. MANNER OF PERFORMING SERVICES

7.1   Manner and Location: NEUDESIC shall determine the method, details and means for the performance of services by NEUDESIC-provided personnel. All work products and consulting provided by NEUDESIC may be created or performed at NEUDESIC's facilities unless otherwise specified in a SOW.

7.2   Storage of Client Materials: NEUDESIC will ensure that all Client materials will be stored in locked files when not in use, and that computers that contain Client program materials and data will reside in a secure room at all times. Computer files shall be secured so as to prevent unauthorized access, duplication, use or transmission to third parties.

8. INTELLECTUAL PROPERTY RIGHTS

8.1   Ownership of Neudesic IP: NEUDESIC shall at all times own the right, title and interest in the processes, data, compositions, applications, technology, inventions, programs, code, materials, improvements, trade secrets, trademarks and service marks developed by NEUDESIC independent of this Agreement (the "Neudesic IP"). To the extent any Neudesic IP is incorporated into any work product, NEUDESIC shall: (A) obtain Client's consent to such incorporation (via the SOW); and (B) shall grant to Client a non-exclusive, world-wide, royalty-free, irrevocable, limited right and license to use the Neudesic IP solely as an integrated part of such work product. The foregoing license however shall not give Client (i) any right to use, market, sell, distribute or transfer any Neudesic IP except as an integrated part of the work product, (ii) any right to use any Neudesic IP to compete with NEUDESIC in the software development and consulting market, (iii) any right to market, sell, distribute or transfer any Neudesic IP to any other party for use, resale or further distribution within the software development and consulting market, or (iv) disassemble, decompile, reverse engineer, or make derivative works of any Neudesic IP.

8.2   Ownership of Work Product / Code Sharing: Subject to the intellectual property rights of NEUDESIC in the Neudesic IP, upon full payment for any work products/consulting services rendered in connection with this Agreement, the work products created by NEUDESIC shall be the property of Client and shall be considered a "work made for hire" within the meaning of Title 17 of the United States Code. Notwithstanding the foregoing, Client agrees that NEUDESIC and Client will share ownership of any generic source code framework (referred to herein as an "Accelerator"), that is compiled by NEUDESIC for Client, and that NEUDESIC has incorporated into any Client-work product. Client agrees that NEUDESIC shall have the right to use such Accelerator and/or enhancements thereto, in future projects with other clients provided that the Accelerator and/or enhancements are purely generic in nature.

9. WARRANTIES

9.1   Representation and Warranties: NEUDESIC warrants that in connection with its performance under this Agreement: (A) all consulting services shall be performed in a professional and workmanlike manner; (B) NEUDESIC has sufficient staff and other resources available to it to provide the consulting services required by this Agreement; and (C) NEUDESIC has full authority to enter into this Agreement and to carry out its obligations under this Agreement.

9.2   Disclaimer of Other Warranties: UNLESS PROVIDED OTHERWISE IN A SOW, NEUDESIC MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER FOR ANY HARDWARE OR SOFTWARE PROVIDED BY A THIRD PARTY. NEUDESIC ALSO DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES RELATING TO THE SUITABILITY OR COMPATIBILITY OF CLIENT'S EXISTING COMPUTER HARDWARE OR SOFTWARE SYSTEMS TO ACCOMPLISH THE PERFORMANCE OBJECTIVES DESIRED BY CLIENT IN ANY WORK PRODUCT, INCLUDING ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A

PARTICULAR PURPOSE, TITLE TO ANY WORK PRODUCT, ABSENCE OF CLAIMS TO OR INTERESTS IN ANY WORK PRODUCT ARISING FROM AN ACT OR OMISSION OF NEUDESIC, ABSENCE OF LIENS OR ENCUMBRANCES, FREEDOM FROM RIGHTFUL CLAIMS OF THIRD PERSONS BY WAY OF INFRINGEMENT OR THE LIKE.

10. OWNERSHIP OF CLIENT DATA AND CONFIDENTIALITY

10.1 Ownership of Data: NEUDESIC shall not acquire any rights in or to the information, materials, goodwill, trademarks, patents, copyrights or other proprietary property of Client relating to Client's business.

10.2 Confidentiality: Each Party acknowledges that during the course of its work, it may become exposed to or gain access to proprietary information/trade secrets of the other, which shall include but shall not be limited to, data, reports, forecasts, lists, concepts, techniques, materials, processes, computer programs, work in process, marketing/development plans, financial information, whether in written or electronic form, relating to the business and operations of either Party ("Confidential Information"). Each Party agrees that it has a duty to the other to maintain the secrecy of the other Party's Confidential Information and accordingly agrees not to reveal or disclose any such Confidential Information to a third-party without first obtaining prior written consent from the other Party to this Agreement. Confidential Information shall not include any of the following, for which neither Party shall bear responsibility for disclosure, inadvertent or otherwise: (A) information that at the time of disclosure is generally available to the public; (B) information that after disclosure becomes generally available to the public by publication, or otherwise, through no breach of this Agreement; (C) information that was in the possession of the Party receiving such information (the "Receiving Party") prior to disclosure; (D) information that the Receiving Party receives from a source other than the Party that disclosed such information (the "Disclosing Party"); or (E) is disclosed as required by law, or in response to a valid demand/order of the court, provided that the Receiving Party notifies the Disclosing Party promptly in writing of such demand/order prior to making any disclosure, so that Disclosing Party is able to obtain a protective order for such Confidential Information.. The obligations of the Parties under this Section shall survive expiration or termination of this Agreement for a period of three (3) years.

10.3 Equitable Relief: The Parties agree that an impending or actual breach of this Section would cause the non-breaching Party irreparable injury for which it would have no adequate remedy at law, and that the non-breaching Party will be entitled to seek immediate injunctive relief prohibiting or enjoining such violation, in addition to any other rights and remedies available to the non-breaching Party.

11. NEUDESIC'S EMPLOYEES ON CLIENT'S PROPERTY If any portion of the consulting services are to be provided on Client's premises, NEUDESIC's employees, agents, and contractors shall (A) enter and leave Client's premises in compliance with Client's site entry and exit procedures; and (B) conduct themselves on Client's premises in a professional/workmanlike manner and in full compliance with Client's rules for site security, environmental compliance, and health and safety.

12. INSURANCE While any NEUDESIC employee, agent or contractor is performing services for Client, NEUDESIC shall maintain the types and amounts of insurance identified below. If requested, NEUDESIC shall name Client as an additional insured and provide evidence to Client of same. NEUDESIC hereby waives any right of subrogation that it or its insurance carriers may have against Client with respect to claims submitted by NEUDESIC's employees under NEUDESIC's worker's compensation insurance. All insurance shall be maintained with insurance companies having an A.M. Best's rating of "A" or better.

Type of Coverage	Limits of Liability
Workers' Compensation	Statutory limits (California)
Employer's Liability	$1,000,000 (ea. accident / inc. occupational disease coverage)
Commercial General Liability	$4,000,000 (gen. agg) / $2,000,000 (ea. occurrence)

Professional Liability	$5,000,000
Umbrella Liability	$6,000,000 (gen/agg) / $6,000,000 (ea. occurrence)

13.   INDEMNIFICATION   NEUDESIC agrees to defend, indemnify and hold Client harmless from and against all third-party claims, liabilities, and causes of action against Client due solely to: (A) a negligent act, error, or omission of NEUDESIC in performance of services under this Agreement; (B) NEUDESIC's breach of this Agreement (to the extent not caused by Client); and (C) any claim or allegation that any work product created by NEUDESIC infringes on any intellectual property right of a third party, provided that Client requests indemnification of same from NEUDESIC, permits NEUDESIC to have sole control over resolution of such claim, and allows NEUDESIC, at NEUDESIC's option to either procure the necessary rights to allow Client to continue to use the work product created by NEUDESIC or to replace or modify the work product until it is deemed to be non-infringing. Notwithstanding the foregoing, NEUDESIC shall have no obligation or liability whatsoever for any claim of infringement based upon work or materials provided by Client or any third party, or for any claim of infringement based solely upon Client's modification of the work product provided by NEUDESIC.

14.   LIMITATION OF LIABILITY

14.1   Loss Mitigation: As a material provision of this Agreement, both Parties agree to act in a manner that will serve to mitigate any losses that may be incurred by the other Party through the timely communication of any issue that may arise during the performance of this Agreement.

14.2   Liability Cap: To the fullest extent permitted by law, Client agrees that in no event shall the aggregate liability of NEUDESIC to Client, (including attorneys' fees awarded), exceed the greater of (A) the amount payable to NEUDESIC by Client pursuant to the SOW giving rise to a claim, or (B) the amount of insurance coverage available to NEUDESIC at the time of settlement or judgment of a claim; regardless of the legal theory under which such liability is imposed (including but not limited to negligence, professional errors or omissions, strict liability or breach of contract). **NEITHER PARTY SHALL HAVE ANY LIABILITY FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES (INCLUDING LOSS OF PROFIT AND BUSINESS OPPORTUNITIES) REGARDLESS OF WHETHER THE PARTY HAS BEEN ADVISED OF, OR IS AWARE OF THE POSSIBILITY OF SUCH DAMAGES.** As used in this Section, "NEUDESIC" shall include NEUDESIC, and NEUDESIC's employees, owners, officers, agents, subcontractors, and directors.

15.   NON-SOLICITATION

15.1   Non-Solicitation Term: Client agrees that during the Term and for a period of 1-year following termination or expiration of this Agreement (referred to as the "Non-Solicitation Term"), Client shall not hire (either through direct employment or as a contractor), any of NEUDESIC's employees or contractors without the prior written consent of NEUDESIC.

15.2   Solicitation Damages: During the Non-Solicitation Term, should Client request in writing its desire to solicit a NEUDESIC employee or contractor for employment (a "Resource"), and NEUDESIC agrees to release the Resource from his/her obligations with NEUDESIC, Client agrees to pay NEUDESIC liquidated damages ("Solicitation Damages") equal to fifty-percent (50%) of the Resource's current salary (or the annualized hourly equivalent if the Resource is paid hourly) including any bonuses paid by NEUDESIC, payable upon on the Resource's first day of employment with Client. In the event Client is in breach of the foregoing provision by soliciting a Resource without first notifying NEUDESIC in writing, or if NEUDESIC denies a written request by Client to solicit for employment a Resource, and Client chooses to solicit a Resource regardless, Client agrees to pay NEUDESIC Solicitation Damages equal to one-hundred percent (100%) of the Resource's current salary (or annualized hourly equivalent if the Resource is paid hourly) including any bonuses paid by NEUDESIC, payable in full upon on the Resource's first day of employment with Client.

16.   RELATIONSHIP OF THE PARTIES   NEUDESIC is an independent contractor and is not an employee or agent of Client. Payments to be made to NEUDESIC shall not be subject to withholding for income tax, social security, or unemployment compensation unless the laws or regulations with respect thereto require such withholdings to be made.

17.   PUBLICITY   NEUDESIC is not free to disclose and publicize its role in the development of any work product for Client under any Statement of Work without prior written consent, and as of the date of this Agreement, shall be permitted to use Client's name and/or logo in connection with any NEUDESIC marketing/publicity materials if written consent is attained.

18.   OBLIGATIONS UPON EXPIRATION OR TERMINATION   Expiration or termination of this Agreement shall not relieve either Party of its obligations regarding intellectual property (Section 8), warranties (Section 9), confidentiality (Section 10), indemnification (Section 13), limitation of liability (Section 14) and non-solicitation (Section 15).

19.   GENERAL PROVISIONS:

19.1   Non-Exclusive Engagement & Disclosure of Microsoft Presale Advisory Services: NEUDESIC reserves the right to offer services of any kind or nature whatsoever to any person or entity as NEUDESIC, in its sole discretion, deems appropriate. Client also acknowledges and consents to NEUDESIC's receipt of *"Advisory Fees"* from Microsoft Corporation for providing certain products and/or services to Client.

19.2   Validity of Provisions: If any provision of this Agreement is held to be void, illegal, unenforceable, or in conflict with any law, the validity of the remaining portions and/or provisions of this Agreement shall not be affected thereby.

19.3   Notice: Any notice required or permitted to be given under this Agreement shall be in writing and delivered in accordance with the provisions of this Section. If delivered by personal delivery or U.S. mail, such notice shall be delivered to the Party at its address set forth in the opening paragraph hereof, and shall be directed to the attention of *Neudesic Legal Department* (if to NEUDESIC), and to _Dyan.Mashman@azstcu.org _____ (if to Client).   Such notice shall be effective immediately upon confirmation of receipt if delivered personally or electronically, otherwise three business days from mailing such notice if mailed through the United States mail, certified, postage prepaid.

19.4   Waiver: Failure or delay on the part of either Party to exercise any right, remedy, power or privilege under this Agreement shall not operate as a waiver of that right or any other right, remedy, power or privilege. A waiver, to be effective, must be in writing and must be signed by the Party making the waiver. A written waiver of default shall not operate as a waiver of any other default or of the same type of default on a future occasion.

19.5   Governing Law and Attorneys Fees: This Agreement shall be governed by the laws of the State of California. If either Party employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and any and all costs actually incurred by the prevailing Party. The Parties hereby expressly agree that the costs recoverable by the prevailing Party under this Agreement shall include all reasonable expert witness fees (including experts not ordered by the court) and administrative expenses including, but not limited to, postage, photocopies, deposition transcripts, and overnight delivery/courier services.

19.6   Assignment: NEUDESIC shall not assign any of the rights granted by this Agreement nor delegate any of its duties under this Agreement without Client's prior written consent. The foregoing notwithstanding, Client's consent shall not be required if this Agreement is assigned in connection with a sale of all or substantially all of the assets of NEUDESIC.

19.7   **Compliance with Laws:**   In the performance of this Agreement, NEUDESIC shall comply with the applicable standards, provisions, and stipulations of all pertinent Federal, State, or local laws, rules, and regulations, Executive Orders or ordinances including, but not limited, to the Fair Labor Standards Act of 1936, and the Occupational Safety and health Act of 1970, each as amended.

19.8   **Entire Agreement / Authority:**   This Agreement sets forth the entire understanding between the Parties and supersedes any prior representations, statements, proposals, negotiations, discussions, understandings or agreements regarding the same subject matter.   No amendment, modification or waiver of any provision of this Agreement or any SOW or Change Order shall be effective unless in writing and signed by both Parties. Each Party warrants to the other that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, and that the entering into of this Agreement and the performance of its obligations does not violate, and will not be in conflict with, any provision of its articles of incorporation, bylaws, or other governing documents, or any contract or agreement with a third party.

19.9   **Force Majeure:**   In the event that a Party is materially unable to perform any of its obligations hereunder because of severe weather, natural disasters, Acts of God, riots, wars, acts of terrorism, governmental action or other event of *force majeure* beyond such Party's control, then such Party shall, upon written notice to the other Party thereof, be relieved from its performance of such obligations to the extent, and for the duration, that such performance is prevented by such events; provided that such Party shall at all times use commercially reasonable efforts to resume such performance.

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date this Agreement is signed by both Parties.

ARIZONA STATE CREDIT UNION

X _____Dyan Mashman_____

Name/Title: Dyan Mashman   SVP/CIO
Date: 3/22/2013

NEUDESIC, LLC,
A California limited liability company,

X _____Sonny Horton_____
Sonny Horton

Name/Title: Vice President, Service Delivery Group Oper
Date: May 13, 2013 | 10:45 PT

Page 8 of 8

Exhibit 3

∩ EUDESIC

STATEMENT OF WORK
AZSTCU – INTEGRATION AND DW CRAWL PHASE SUPPORT
ARIZONA STATE CREDIT UNION
ARI092215

Michael Brown, Sr. Enterprise Account Executive
michael.brown@neudesic.com
O: (602) 604-4044
www.neudesic.com

EXECUTIVE SUMMARY

Arizona State Credit Union ("Client") has engaged Neudesic to provide consulting services for their Phase 1 (or "Crawl" phase) integration and data warehouse requirements related to their CRM initiative. This Statement of Work (SOW) focuses on the initial implementation of their Enterprise integration platform connecting Appro, Raddon, ChexSys, Mortgage Cadence and Core with Dynamics CRM. In addition, Neudesic will implement the foundational aspects of a data warehouse focused on Self Service capabilities.

SCOPE OF WORK

Neudesic will assign the resources below to Client for the number of hours indicated. The resources shall be directed by Client to assist with architectural guidance, strategy and implementation of the integration and data warehouse capabilities of the solution.

INTEGRATION

Using the integration platform based on BizTalk and SQL Server Integration Services (SSIS), Neudesic will integrate the following systems below with the CRM Online platform:

- Core/Spectrum – Membership Information
- Appro – Loan Information
- Mortgage Cadence - Loan Information
- Raddon – Demographic Information
- ChexSys – FICO Information

The destination of this data is the CRM Staging database as defined in the logical architecture shown in the Architecture & Design Specification.

Due to the sensitive nature of the ASTCU business, additional security measures will be included within the system. The following security concerns will be addressed:

- Sensitive information will be encrypted when sending and receiving information from BizTalk
- Sensitive information will be encrypted using SQL Server encryption capabilities while at rest
- Connection strings will be stored in a secure manner
- Authentication and authorization will be performed between BizTalk, SQL Server, SQL Azure and SSIS

DATA WAREHOUSE

This solution will create a centralized self-service analytics and reporting environment that integrates data from Core/Spectrum and Project Orion. SQL Server Business Intelligence Suite will be used to build the analytic data warehouse.

The data warehouse will contain common dimensions such as Date, Time, as well as dimensions that are specific to Membership and Account information. Microsoft's Power BI will be the primary analytic tool for delivering reports and dashboards. The initial implementation of Power BI will provide a single dashboard.

Neudesic's ETL framework will be used with standardized, configuration and monitoring settings. SQL Server Agent will be used for job prioritization and scheduling.

ENVIRONMENTS

Neudesic will be responsible for installation of BizTalk, SQL Server for stage tables & SSIS and SQL Server for data warehouse and Data Quality Services installations and setup.

- Implementation of QA and Production environments described in **Appendix B**.

NOT IN SCOPE

The following items are not in scope:

- Requirements for CRM phases beyond Phase I ("Crawl" phase).
- Source system not explicitly called out within scope.
- Any changes required in the CRM system.
- Any data or business processes coming back from CRM to source systems
- Final upload of staged CRM integration data into CRM through the Kingsway adapter.
- Mortgage Cadence, Raddon and Appro information into the data warehouse.
- Installation, setup and configuration of the Redport product.

PROJECT MANAGEMENT:

Neudesic will follow the Neudesic Agile Software Development (NASD) scrum development methodology, and will be responsible for the following:

- Backlog grooming
- Sprint Planning
- Daily Scrum Meetings
- Sprint Reviews
- Sprint Retrospectives

In addition, Neudesic will conduct developer unit testing and integration testing based on AZSTCU acceptance criteria. AZSTCU will be responsible for user acceptance testing.

ESTIMATED COSTS

Work will be performed by Neudesic on a time and materials basis and Client will be charged for actual hours worked per the rate table below. A Change Order will be required in the event that Client would like to extend the term of this engagement beyond what is stated below.

Technical Resource	Estimated # of Hours	Standard Hourly Rate	Discounted Hourly Rate	Cost
Managing Consultant	328	$365	$215	$70,520
Technical Lead	600	$279	$209	$125,400
BI Lead	480	$209	$197	$94,560
Senior Connected Systems Consultant	640	$261	$187	$119,680
Solution Architect(s)	132	$325	$197	$26,004
Quality Assurance Consultant (O/S)	560	$109	$61	$34,160
Client Partner	48	$346	$235	$11,280
Total(s)				$481,604
	Pre-bill (20%)-Due Upon Receipt		$96,321	

In the event that a technical resource is not available locally, Client shall also be responsible for all reasonable travel related expenses pertaining to this engagement. Specifically, Client shall reimburse Neudesic for each technical resource's weekly flights home, surface transportation, food and lodging.

ASSUMPTIONS

- Microsoft Azure will be the platform for hosting the Integration and Database environments.

- Built-in capabilities of BizTalk and SQL Server will meet necessary security reviews and audit by ASTCU.

- The integration processes will terminate when the information resides in the CRM stage tables. The CRM team will be responsible for uploading the information from the CRM stage tables using the Kingsway SSIS adapters.

- BizTalk 2013 R2, SQL Server 2016, SSIS and Power BI will be the products for the integration and data warehouse platforms.

- ASTCU will provide any on-premise virtual machines that meet specs provided by Neudesic.

- Initial Integrations will be one way and flow from AZSTCU to Azure.

- Access to the Core System API will be available to the Neudesic Team.

CUSTOMER RESPONSIBILITIES

- AZSTCU will provide the necessary Hardware and Software to create a Development Environment (MSDN Premium will be required).

- AZSTCU will provide Neudesic an Azure Portal Account for the Development environment.

Page 3 of 6

- Client will have the appropriate environment for the on-site portion of the work.

- The appropriate resource(s) within the Client technical team will be identified by the client and their manager made aware of the time investment required from them.

- Client will notify the relevant project stakeholders, support staff and development team(s) of Neudesic's involvement in the project.

- Client will provide Neudesic with a list of key project personnel, including their job title, project role and e-mail address, to facilitate coordination of meetings and other related fact-finding activities.

- Client will provide access to all necessary on-site facilities, including office space, computer equipment, internet access, and test and monitoring equipment unless otherwise agreed upon between Client and Neudesic.

- Client will provide access to and copies of relevant technical and business information.

- Client will provide a project leader as your primary point of contact with us and to provide technical direction to our personnel performing the services.

CONTACT INFORMATION

ARIZONA STATE CREDIT UNION

Sean Azhadi
CIO
(602) 467-4000
sean.azhadi@azstcu.org

NEUDESIC

Michael Brown
Sr. Enterprise Client Executive
(602) 604-4044
michael.brown@neudesic.com

Kerry Olsson
Sr. Client Partner
kerry.olsson@neudesic.com
W: (602)604-4053 M: (623) 203-0100

APPROVALS

This SOW is governed by the Master Services Agreement between Client and Neudesic dated March 22, 2013.

ARIZONA STATE CREDIT UNION		NEUDESIC, LLC	
X _____ Date 9/30/2015		X _____ Date September 30, 2015	
		Brett Fisher	
		Vice President, Client Partner Organization	

NEU_000015

APPENDIX A - PHASE 1 BACKLOG

Epic Story	Story Points
Raddon Integration	20
Appro Integration	20
Mortgage Cadence	40
Core Integration	40
Redport Integration	20
QA Environment Build	5
Prod Environment Build	8
DW - Cube Build out	8
DW - Staging and EDW Load (Solonis and Core/Spectrum)	20
DW - Logical/Physical Modeling	13
DW - Initial Selection of Business Processes	5
Security Integration	8
Data Quality	20
DW Reports/Dashboard (Project Orion)	13
Chex system integration	20

NEU_000016

APPENDIX B – DEPLOYMENT VIEW
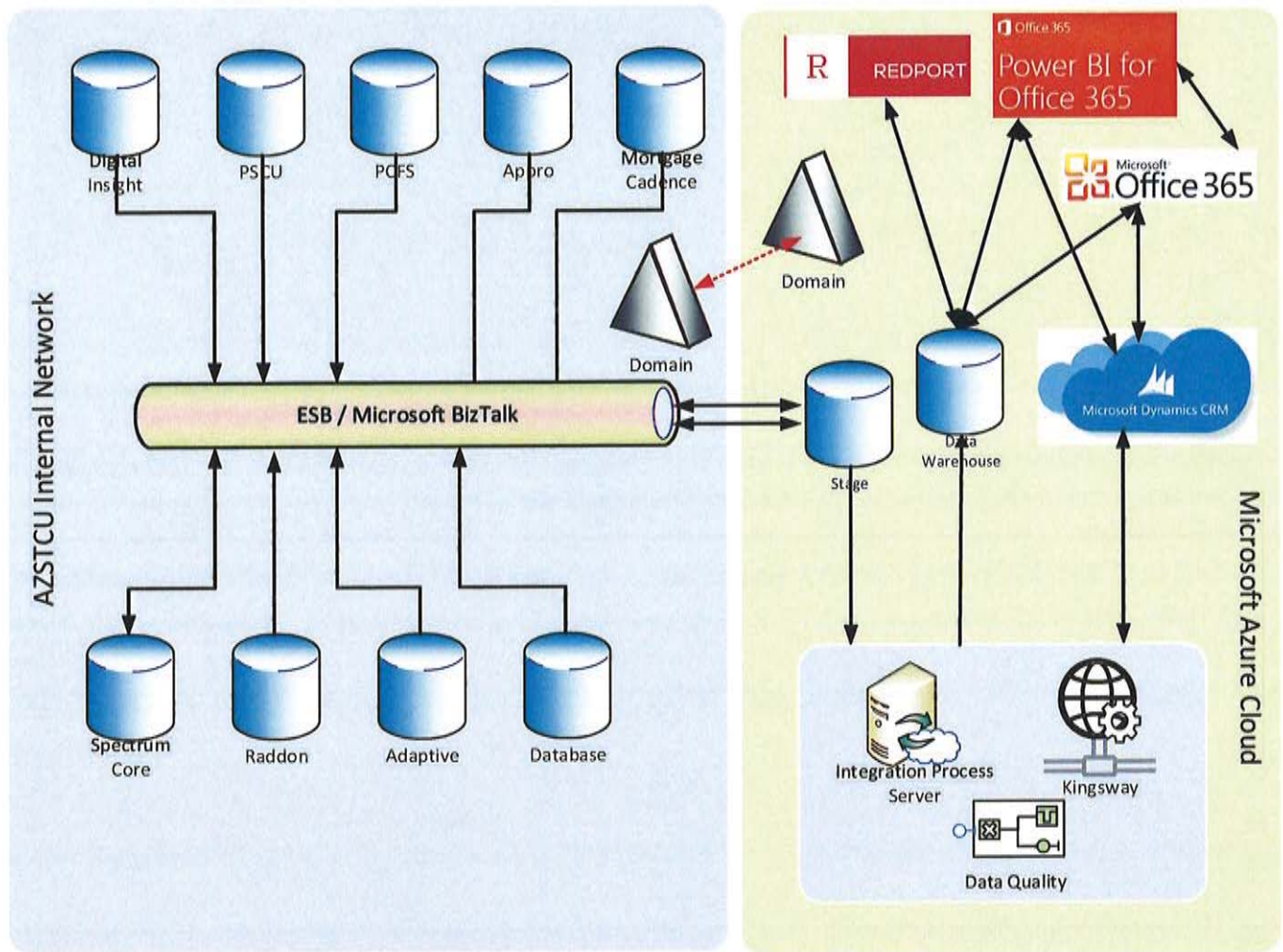
Property of Arizona State Credit Union   Confidential   Last Modified: 8/26/2015

Exhibit 4

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STATEMENT OF WORK
AZSTCU CRAWL GO-LIVE SUPPORT
ARIZONA STATE CREDIT UNION
ARI011516

Michael Brown, Sr. Enterprise Account Executive
michael.brown@neudesic.com
O: (602) 604-4044
www.neudesic.com

EXECUTIVE SUMMARY

Arizona State Credit Union ("Client") has engaged Neudesic to provide consulting services to support the "Go-Live" of their Phase 1 (or "Crawl" phase) CRM initiative.   The terms of such engagement are captured in this Statement of Work ("SOW").

SCOPE OF WORK

Neudesic will assign the resources below to Client for the number of hours indicated. The resources shall be directed by the Client to assist with architectural guidance, strategy and implementation in support of the integration elements of their CRM initiative as defined by Arizona State Credit Union (AZSTCU) project stakeholders.

ESTIMATED COSTS

Work will be performed by Neudesic on a time and materials basis and Client will be charged for actual hours worked per the rate table below. A Change Order will be required in the event that Client would like to extend the term of this engagement beyond what is stated below.

Technical Resource	Estimated # of Hours (Annualized)	Standard Hourly Rate	Discounted Hourly Rate	Cost
Managing Consultant	120	$380	$223	$26,760
Technical Lead	230	$290	$218	$50,140
BI Lead	230	$217	$205	$47,150
Senior Connected Systems Consultant	230	$271	$195	$44,850
Quality Assurance Consultant (O/S)	230	$113	$64	$14,720
Client Partner	12	$360	$235	$2,820
Solution Partner	12	$340	$205	$2,460
Total(s)	**1,064**			**$188,900**
	Pre-bill (20%)-Due Upon Receipt		N/A*	

*Neudesic agrees to waive the standard retainer fee since AZSTCU has existing retainer carried over from the initial Crawl Phase engagement.

In the event that a technical resource is not available locally, Client shall also be responsible for all reasonable travel related expenses pertaining to this engagement. Specifically, Client shall reimburse Neudesic for each technical resource's weekly flights home, surface transportation, food and lodging.

NEU_000018

CUSTOMER RESPONSIBILITIES

- Client will have the appropriate environment for the on-site portion of the work.

- The appropriate resource(s) within the Client technical team will be identified by the client and their manager made aware of the time investment required from them.

- Client will notify the relevant project stakeholders, support staff and development team(s) of Neudesic's involvement in the project.

- Client will provide Neudesic with a list of key project personnel, including their job title, project role and e-mail address, to facilitate coordination of meetings and other related fact-finding activities.

- Client will provide access to all necessary on-site facilities, including office space, computer equipment, internet access, and test and monitoring equipment unless otherwise agreed upon between Client and Neudesic.

- Client will provide access to and copies of relevant technical and business information.

- Client will provide a project leader as your primary point of contact with us and to provide technical direction to our personnel performing the services.

CONTACT INFORMATION

ARIZONA STATE CREDIT UNION

Sean Azhadi
CIO
(602) 467-4000
sean.azhadi@azstcu.org

NEUDESIC

Michael Brown
Sr. Enterprise Client Executive
(602) 604-4044
michael.brown@neudesic.com

Kerry Olsson
Sr. Client Partner
W: (602)604-4053 M: (623) 203-0100
kerry.olsson@neudesic.com
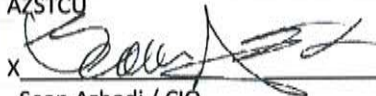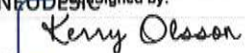
APPROVALS

This SOW is governed by the Master Services Agreement between Client and Neudesic dated March 22, 2013.

ARIZONA STATE CREDIT UNION	NEUDESIC
X _____ Date _1/21/2016_	DocuSigned by: Tim Marshall X ___3A2046A9EDDD480...___ Date _February 3, 2016_ | (Tim Marshall, CTO

Page 2 of 2

Exhibit 5

∩EUƆESIC

CHANGE ORDER #01
AZSTCU CRAWL GO-LIVE SUPPORT
ARIZONA STATE CREDIT UNION
SOW# ARI011516

Michael Brown, Sr. Enterprise Client Executive
michael.brown@neudesic.com
O: (602) 604-4044   F: (602) 604-4944
www.neudesic.com

EXECUTIVE SUMMARY

AZSTCU wishes to extend an existing statement of work (SOW #ARI011516) for the current Neudesic team to continue provide consulting services to support the "Go-Live" of their Phase 1 (or "Crawl" phase) CRM initiative.

SCOPE OF WORK CHANGES

None.

COST CHANGES

Work will be performed by Neudesic on a time and materials basis and Client will be charged for actual hours worked per the rate table below. A Change Order will be required in the event that Client would like to extend the term of this engagement beyond what is stated below. The statement of work extension is estimated to commence on February 29, 2016 and end on or around March 11, 2016 depending on progress of the project.

Technical Resource	Estimated # of Hours (Annualized)	Standard Hourly Rate	Discounted Hourly Rate	Cost
Managing Consultant	40	$380	$223	$8,920
Technical Lead	80	$290	$218	$17,440
BI Lead	80	$217	$205	$16,400
Total(s)	**200**			**$42,760**
	Pre-bill (20%)-Due Upon Receipt		**N/A***	

CLIENT CONTACT INFORMATION

BILLING Contact Name/Information
Name:
Phone:
Email:
Mailing Address Where Neudesic Invoices Should Be Sent
Street:
City, State, Zip:

ACCOUNTS PAYABLE Contact Name/Information
Name:
Phone:
Email:

APPROVALS

This Change Order is governed by the Master Services Agreement between Client and Neudesic dated March 22, 2013.

AZSTCU

X _____ Date 3/1/2016
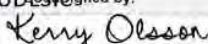
Sean Azhadi / CIO

NEUDESIC DocuSigned by:

Kerry Olsson

X _____ Date March 7, 2016 | 13:48 P

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Kerry Olsson / Client Partner

Page 2 of 2
CONFIDENTIAL

Exhibit 6

⌒ NEUDESIC

CHANGE ORDER #02
AZSTCU CRAWL GO-LIVE SUPPORT
ARIZONA STATE CREDIT UNION
SOW# ARI011516

Michael Brown, Sr. Enterprise Client Executive
michael.brown@neudesic.com
O: (602) 604-4044   F: (602) 604-4944
www.neudesic.com

EXECUTIVE SUMMARY

AZSTCU wishes to extend an existing statement of work (SOW #ARI011516) for the current Neudesic team to continue provide consulting services to support the "Go-Live" of their Phase 1 (or "Crawl" phase) CRM initiative.

SCOPE OF WORK CHANGES

None.

COST CHANGES

Work will be performed by Neudesic on a time and materials basis and Client will be charged for actual hours worked per the rate table below. A Change Order will be required in the event that Client would like to extend the term of this engagement beyond what is stated below. The statement of work extension is estimated to commence on March 14, 2016 and end on or around March 25, 2016 depending on progress of the project.

Technical Resource	Estimated # of Hours (Annualized)	Standard Hourly Rate	Discounted Hourly Rate	Cost
Managing Consultant	40	$380	$223	$8,920
Technical Lead	80	$290	$218	$17,440
BI Lead	80	$217	$205	$16,400
Total(s)	200			$42,760
	Pre-bill (20%)-Due Upon Receipt		N/A*	

CLIENT CONTACT INFORMATION

BILLING Contact Name/Information
Name: Sean Azhadi
Phone: (623) 467-4120
Email: sean.azhadi@azstcu.org

ACCOUNTS PAYABLE Contact Name/Information
Name:
Phone:
Email:

Mailing Address Where Neudesic Invoices Should Be Sent
Street: 2355 W. Pinnacle Peak Road
City, State, Zip: Phoenix, AZ 85027

OAZ000246

APPROVALS

This Change Order is governed by the Master Services Agreement between Client and Neudesic dated March 22, 2013.

AZSTCU

X_____   Date _____
Sean Azhadi / CIO
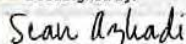
NEUDESIC

X_____   Date _____   March 24, 2016 | 14:13 PT
Kerry Olsson / Client Partner

Exhibit 7

NEUDESIC

STATEMENT OF WORK
AZSTCU INTEGRATION SUPPORT
ARIZONA STATE CREDIT UNION
ARI030917

Michael Brown, Sr. Enterprise Account Executive
michael.brown@neudesic.com
O: (602) 604-4044
www.neudesic.com

EXECUTIVE SUMMARY

Arizona State Credit Union ("Client") has engaged Neudesic to provide consulting services in support of enhancing their enterprise integration platform.

SCOPE OF WORK

Neudesic will assign the resources below to Client for the number of hours indicated. The resources shall be directed by Client to assist with integrating both RedPort's SmartBanker solution and Psycle into the Domain DB as defined in the logical architecture shown in the Architecture & Design Specification documentation (**Appendix A**) utilizing their integration platform which is based on BizTalk and SQL Server Integration Services (SSIS).

PROJECT DELIVERABLES

- Architecture and Design updates for RedPort Smart Banker Integration and Psycle:
  - Updates to the Domain Model documentation to accommodate all data elements being added for Smart Banker and Psycle
  - Data Mapping documentation which specifies mapping between the Domain database, CRM staging database, Smart Banker, Psycle and all relevant source systems
- ESB updates in support of Redport Smart Banker and Psycle integration:
  - Updates to the ESB source extract applications, the associated Source Staging database schema and Source Staging database ETL applications
  - Updates to the ETL applications which move data from Source Staging database to the Domain database
- Integrate Smart Banker and Psycle into Domain DB:
  - Create ETL applications to extract data from the Domain database to be sent to Smart Banker and Psycle
  - Create ETL applications to import data from Smart Banker and Psycle to the Domain database
  - Update the ETL applications that send data from the Domain database to the CRM staging database
  - Create the ETL application that imports data from the CRM staging database to the Domain database
- Perform E2E Performance analysis and remediation in QA
- Deployment of all ETL and ESB applications and associated database changes to the Production environment
- Provide Post-launch support and knowledge transfer to the AZSTCU support team

PROJECT MANAGEMENT

Neudesic will follow the Neudesic Agile Software Development (NASD) scrum development methodology, and will be responsible for the following.

Page 1 of 4

- Sprint Planning
- Backlog Review Meetings
- Daily Scrum Meetings
- Sprint Reviews
- Sprint Retrospectives

In addition Neudesic will conduct developer unit testing and integration testing based on AZSTCU acceptance criteria.

ASSUMPTIONS

- Based on conversations with AZSTCU the week of 3/7, RedPort will have multiple phases. Scope for this SOW will only include minor changes to existing data entities and the solution will resemble the logical diagram represented in **Appendix A.**
- In order to achieve the three distinct scopes of work, the following sprint schedule is assumed. Sprint 1 will be dedicated to Crawl Phase 1 Support. Sprints 2, 3 and 4 will be dedicated to RedPort integration Sprint 5 will be dedicated to Psycle integration.
- All data coming from CRM into the Domain database will have originated from the Domain database and will already have Domain database identifiers. Work to integrate new prospects originating in CRM into the Domain database is planned for a future phase.
- Client will have the appropriate environment for the on-site portion of the work.
- Client will perform and own UAT.
- The client will identify the appropriate resource within the Client technical team and the resource manager made aware of the time investment required from them.
- Client will notify the relevant project stakeholders, support staff and development team(s) of Neudesic's involvement in the project.
- Client will provide Neudesic with a list of key project personnel, including their job title, project role and e-mail address, to facilitate coordination of meetings and other related fact-finding activities.
- Client will provide access to all necessary on-site facilities, including office space, computer equipment, internet access, and test and monitoring equipment unless otherwise agreed upon between Client and Neudesic.
- Client will provide access to and copies of relevant technical and business information.
- Client will provide a project leader as your primary point of contact with us and to provide technical direction to our personnel performing the services.

ESTIMATED COSTS

Work will be performed by Neudesic on a time and materials basis and Client will be charged for actual hours worked per the rate table below. A Change Order will be required in the event that Client would like to extend the term of this engagement beyond what is stated below.

Technical Resource	Estimated # of Hours	Standard Hourly Rate	Discounted Hourly Rate	Cost
Managing Consultant	160	$295	$223	$35,680
Technical Lead	320	$290	$218	$69,760
BI Lead	320	$271	$205	$65,600
Quality Assurance Consultant (O/S)	240	$113	$64	$15,360
Total(s)	840			$186,400
	Pre-bill (20%)-Due Upon Receipt		$37,280	

In the event that a technical resource is not available locally, Client shall also be responsible for all reasonable travel related expenses pertaining to this engagement. Specifically, Client shall reimburse Neudesic for each technical resource's weekly flights home, surface transportation, food and lodging.

CONTACT INFORMATION

ARIZONA STATE CREDIT UNION

BILLING Contact Name/Information
Name: Sean Azhadi
Phone: (602) 467-4000
Email: sean.azhadi@azstcu.org

ACCOUNTS PAYABLE Contact Name/Information
Name: Phone: Email:

Mailing Address Where Neudesic Invoices Should Be Sent
Street: 2355 W. Pinnacle Peak Road
City, State, Zip: Phoenix, AZ 85027

APPROVALS
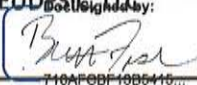
This SOW is governed by the Master Services Agreement between Client and Neudesic dated March 22, 2013.

ARIZONA STATE CREDIT UNION

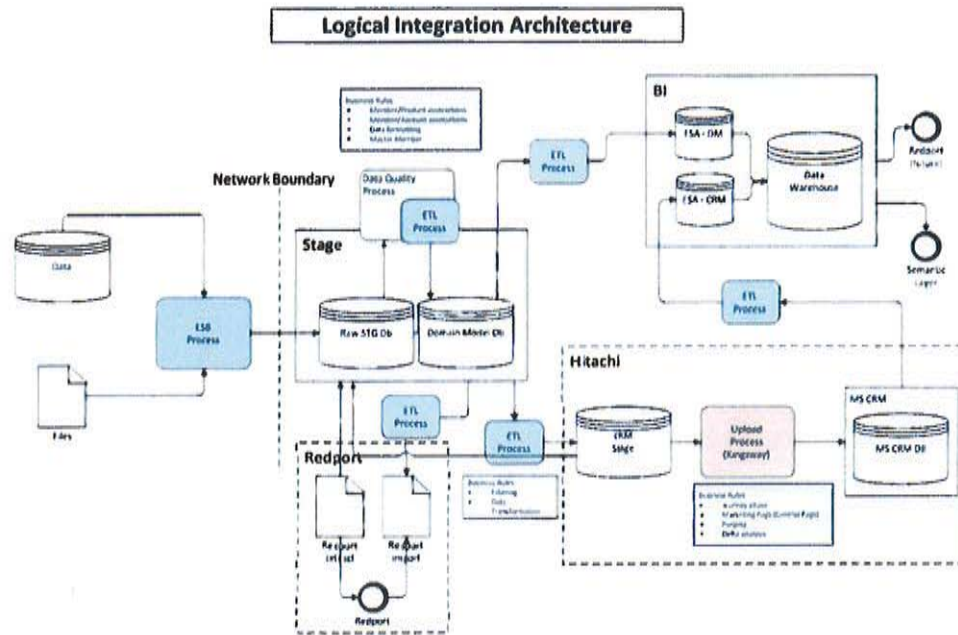X_____ Date 3/24/16
Sean   Azhadi   SVP, CIO

03/25/16
EVP/CFO

NEUDESIC, LLC:

X_____ Date March 31, 2016 | 04:
Brett Fisher /Senior Client Partner

Page 3 of 4

APPENDIX A – DEPLOYMENT VIEW

Logical Integration Architecture

Property of Arizona State Credit Union   Confidential   Last Modified: 10/08/2015
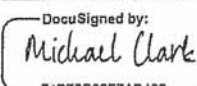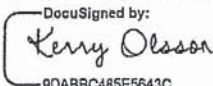
Exhibit 8

Business Investment Funds (BIF)
Statement of Work
("SOW")

Addresses and contacts for notices

"Microsoft"	"Supplier"
Company Name: Microsoft	Company Name: NEUDESIC LLC
Primary Contact: Eric Burke	Primary Contact: Shawna Dottin
Address: One Microsoft Way Redmond, WA 98052-6399 USA	Address: 100 Spectrum Drive Suite 1200 IRVINE, CA
Phone number: +1 (480) 3832618 X2618	Phone number: 949-789-2642
Fax number:	Fax number:
Email (if applicable): eburke@microsoft.com	Email (if applicable): billing@neudesic.com
Secondary Contact:	Secondary Contact:
	Microsoft Supplier Number: 0001116601

SOW Effective Date:	6/10/2016
SOW Expiration Date:	6/17/2016
Contract ID for Master Agreement	1053640

Agreed and accepted- NOTE: Do not sign. Signatures will be routed through DocuSign.

Microsoft		Supplier	
Microsoft Signature:	*Michael Clark* DocuSigned by: 71D73B09B7AB432	Supplier Signature:	*Kerry Olsson* DocuSigned by: 9DABBC485E5643C...
Microsoft Name:	Michael Clark	Supplier Name:	Kerry Olsson
Microsoft Title:	VP West	Supplier Title:	Client Partner
Microsoft Date:	6/13/2016	Supplier Date:	6/7/2016

SOW – BIF (March 2016)

☐ This SOW, executed in accordance with the terms of that certain Master Supplier Services Agreement or other applicable master agreement (the "Agreement") dated
between Microsoft and Supplier is entered into by the parties and effective as of the SOW Effective Date above.

OR

☒ This SOW pursuant to the Microsoft Purchase Order Terms and Conditions is entered into by the parties and effective as of the SOW Effective Date above.

1.   **Description of Services**

Pursuant to and in conformance with any standards, guidelines and/or specifications which may be provided by Microsoft to Supplier from time to time, Supplier will perform or deliver the following goods, services and/or other items or materials (collectively, the "Services") for ("Customer"):

Customer Company Name	OneAZ
Primary Contact	Brian W Johnson
Role & Department	SVP
E-mail address	bjohnson@oneazcu.com
Telephone Number	602.467.4124

Neudesic resources shall be directed by Client to assist with Definition of Done (DOD) and Data Governance deliverables for Phase 1 – Operationalization.
- PROJECT DELIVERABLES:
  - Assist Hitachi with Refactor Integration Automation
  - Assess fail-over solution for source file issues with OneAZ
  - Operational reporting framework
  - Design and develop a solution that reports on health of daily end-to-end integration runs that also provides a dashboard and record count comparisons.
  - Create Alerts and Notifications
  - SQL Agent and BizTalk alerts
  - Entity Change Reporting (Updates, Creates, Time to Load to CRM from Stage)
  - Design and develop a solution that provides the ability to continue load reporting and capture historical data on load times
  - Deposit and Loan Balance Summary Validation
  - Design and develop a solution that provides the ability to perform custom SQL statements to validate ETL that are automated and run daily
  - Perform E2E Performance analysis and remediation in QA
  - Deployment of all ETL and ESB applications and associated database changes to the Production environment
  - Documentation turnover to OneAZ and Knowledge Transfer

- PROJECT MANAGEMENT: Neudesic will follow the Neudesic Agile Software Development (NASD) scrum development methodology, and will be responsible for the following:

SOW – BIF (March 2016)

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- o   Sprint Planning
- o   Backlog Review Meetings
- o   Daily Scrum Meetings
- o   Sprint Reviews
- o   Sprint Retrospectives

Supplier has or will contract directly with Customer to perform the Services described above. This SOW is "Microsoft Confidential Information"; provided, however, that either Microsoft or Supplier may disclose or provide this SOW to the Customer.

2.   **Deliverables/Delivery Schedule** [This section must be completed.]

a)   Supplier must complete and deliver all Services to Customer on or before June 17, 2016. The milestone delivery schedule for the Services, if applicable, shall be as follows:

Milestone #	Brief Description of Services to be completed by Supplier	Due on or Before
1	Assist with Definition of Done (DOD) and Data Governance deliverables for Phase 1 – Operationalization.	6/17/2016
2		
3		
4		
5		
6		

b)   Supplier may begin Service delivery only on the later of: (a) the SOW Effective Date or (b) when Supplier receives the applicable Purchase Order from Microsoft.

3.1 Services Fees

Microsoft will pay Supplier the following amounts as full and final payment for the Services delivered to and accepted by Customer. Microsoft will only make payment for Services after receiving directly from Customer a proof of execution in a format set by or reasonably acceptable to Microsoft. The proof of execution must be received no later than (i) ten (10) days after the SOW Expiration Date or (ii) a later date as agreed by Microsoft in writing.

☒   Flat fee of $ 90,000.00 USD.

OR

☐ Total fee not to exceed $ USD in accordance with the following milestone payment schedule:

Milestone #	Not to Exceed Payment Amount	Delivery/Payment Date
1		
2		
3		
4		
5		
6		
Sub-Total		

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Milestone #	Not to Exceed Payment Amount	Delivery/Payment Date
Travel Expenses (if any – see Section 3.2, below)		
Total		

3.2 Expenses (choose one of the below)

☐ Microsoft will reimburse Supplier up to $ USD for the actual travel expenses that Supplier incurs while performing the Services. The travel expenses must be pre-approved by Microsoft, based on appropriate documentation, and comply with the Supplier Code of Conduct and the Microsoft travel policy.

OR

☒ Supplier will be solely responsible for all expenses it incurs while performing the Services, unless Microsoft otherwise consents in writing.

4. **Other**

(a) **Not Work For Hire.** The purpose of this SOW is to document Microsoft's agreement to provide payment for the Services delivered to Customer.   DESPITE OTHER TERMS TO THE CONTRARY, THIS SOW DOES NOT REPRESENT A WORK FOR HIRE FOR THE BENEFIT OF MICROSOFT.   OTHER THAN MICROSOFT'S RETENTION OF ITS RIGHTS TO ANY MICROSOFT SOFTWARE, IF ANY, USED IN CONNECTION WITH THE SERVICES. MICROSOFT CLAIMS NO RIGHTS OF OWNERSHIP OR LICENSE TO THE SERVICES PROVIDED TO CUSTOMER.

(b) Supplier will comply with the Supplier Code of Conduct and all applicable laws against bribery, corruption, inaccurate books and records, inadequate internal controls and money laundering, including the U.S. Foreign Corrupt Practices Act.   Supplier agrees that, unless specifically authorized in writing by Microsoft, it may not (I) pay expenses for travel, lodging, gifts, hospitality or charitable contributions for government officials ("Prohibited Activities") on Microsoft's behalf or (ii) use the Service Fees or any portion or other funds provided by Microsoft to Supplier for Prohibited Activities.   Microsoft's payment of the Service Fees described in this SOW are for the use of Supplier to support Services for the Customer, and may be used only for this purpose.

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OAZ000022

Exhibit 9

NEUDESIC

STATEMENT OF WORK
AZSTCU PHASE 1 OPERATIONALIZATION SUPPORT

ARIZONA STATE CREDIT UNION
ONE050616

Michael Brown, Sr. Enterprise Account Executive
michael.brown@neudesic.com
O: (602) 504-4044
www.neudesic.com

EXECUTIVE SUMMARY

OneAZ Credit Union ("Client") has engaged Neudesic to provide consulting services in support of enhancing their enterprise integration platform.

SCOPE OF WORK

Neudesic will assign the resources below to Client for the number of hours indicated. The resources shall be directed by Client to assist with Definition of Done (DOD) and Data Governance deliverables for Phase 1 – Operationalization.

PROJECT DELIVERABLES

- Assist Hitachi with Refactor Integration Automation
  - Assess fail-over solution for source file issues with OneAZ
- Operational reporting framework
  - Design and develop a solution that reports on health of daily end-to-end integration runs that also provides a dashboard and record count comparisons.
- Create Alerts and Notifications
  - SQL Agent and BizTalk alerts
- Entity Change Reporting (Updates, Creates, Time to Load to CRM from Stage)
  - Design and develop a solution that provides the ability to continue load reporting and capture historical data on load times
- Deposit and Loan Balance Summary Validation
  - Design and develop a solution that provides the ability to perform custom SQL statements to validate ETL that are automated and run daily
- Perform E2E Performance analysis and remediation in QA
- Deployment of all ETL and ESB applications and associated database changes to the Production environment
- Documentation turnover to OneAZ and Knowledge Transfer

PROJECT MANAGEMENT

Neudesic will follow the Neudesic Agile Software Development (NASD) scrum development methodology, and will be responsible for the following.

- Sprint Planning
- Backlog Review Meetings
- Daily Scrum Meetings
- Sprint Reviews
- Sprint Retrospectives

ASSUMPTIONS

- Based on conversations with OneAZ the week of 5/2, Scope for this SOW will only include items presently in backlog identified for Phase 1.

- For creating alerts and notifications, setup of Solar Winds is out of scope.

- Hitachi will own and deliver all work not specified above for Refactor Integration Automation.

- Hitachi will own and deliver a solution for feeding necessary information into the operational reporting framework.

- Hitachi will review and provide feedback/guidance to OneAZ on Duplicate Detection Process.

- Client will provide agreed-upon tolerance of integrity of certain data elements (fields).

- Client will define business rules and SLAs.

- Client to establish post-launch support (OneAZ support team or contract with Neudesic Managed Services) to monitor and respond to alerts and notifications.

- Client will have the appropriate environment for the on-site portion of the work.

- Client will perform and own user acceptance testing.

- Client will identify the appropriate resource within the Client technical team and the resource manager made aware of the time investment required from them.

- Client will notify the relevant project stakeholders, support staff and development team(s) of Neudesic's involvement in the project.

- Client will provide access to all necessary on-site facilities, including office space, computer equipment, internet access, and test and monitoring equipment unless otherwise agreed upon between Client and Neudesic.

- Client will provide access to and copies of relevant technical and business information.

- Client will provide a project leader as your primary point of contact with us and to provide technical direction to our personnel performing the services.

ESTIMATED COSTS

Work will be performed by Neudesic on a time and materials basis and Client will be charged for actual hours worked per the rate table below. A Change Order will be required in the event that Client would like to extend the term of this engagement beyond what is stated below.

Technical Resource	Estimated # of Hours	Standard Hourly Rate	Discounted Hourly	Cost
Managing Consultant	70	$295	$223	$15,610
Technical Lead	85	$290	$218	$18,530
Senior Consultant	160	$271	$205	$32,800
Senior Consultant	110	$271	$205	$22,550
Quality Assurance Consultant (O/S)	120	$113	$64	$7,680
Sub-Total(s)	545			$97,170
Microsoft BIFF Investment				($90,000)
Neudesic Investment				($7,170)
Total(s)	545			$0
	Pre-bill (20%)-Due Upon Receipt		N/A	

In the event that a technical resource is not available locally, Client shall also be responsible for all reasonable travel related expenses pertaining to this engagement. Specifically, Client shall reimburse Neudesic for each technical resource's weekly flights home, surface transportation, food and lodging.

CONTACT INFORMATION

OneAZ

BILLING Contact Name/Information
Name: Sean Azhadi
Phone: (602) 467-4000
Email: sazhadi@oneazcu.com

ACCOUNTS PAYABLE Contact Name/Information
Name:
Phone:
Email:
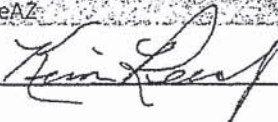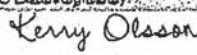
Mailing Address Where Neudesic Invoices Should Be Sent
Street: 2355 W. Pinnacle Peak Road
City, State, Zip: Phoenix, AZ 85027

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APPROVALS

This SOW is governed by the Master Services Agreement between Client and Neudesic dated March 22, 2013.

OneAZ		NEUDESIC, Inc.
X _[signature]_ Date 6/8/16		X _[signature]_ Kerry Olsson 9DABBC485E5843C Kerry Olsson / Client Partner Date June 10, 2016 | 07:04

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OAZ000026

Exhibit 10

FₐW FARLEIGH WADA WITT
Attorneys

Brian R. Witt
Attorney
Admitted in Oregon, Washington and Arizona

bwitt@fwwlaw.com

121 SW Morrison Street, Suite 600
Portland, Oregon 97204
tel 503.228.6044
fax 503.228.1741
www.fwwlaw.com

July 22, 2016

VIA OVERNIGHT MAIL AND EMAIL

Lisa Cohrs, Associate General Counsel
Neudesic Legal Department
Neudesic, LLC
8105 Irvine Center Dr., Suite 1200
Irvine, CA 92618
lisa.cohrs@neudesic.com

Kerry Olsson
Client Partner
Neudesic, LLC
350 W Washington St., Suite 313
Tempe, AZ 85281
kerry.olsson@neudesic.com

Re: *Notice of Breach of Master Services Agreement*

Dear Ms. Cohrs:

This firm represents OneAZ Credit Union, formerly Arizona State Credit Union (OneAZ) regarding the nonperformance by Neudesic, LLC (Neudesic) under the Master Services Agreement (Agreement) dated March 22, 2013, Statement of Work (Integration and DW Crawl Phase Support - ARI 092215) dated September 22, 2015 and Statement of Work (Phase 1 Operationalization Support - One 0506616) dated June 10, 2016.

Notice of Breach

Pursuant to Sec. 5.2 (A) of the Agreement, we hereby notify Neudesic of numerous contractual breach conditions that exist in Neudesic's performance of work under the Agreement and SOWs.

Breach Conditions

OneAZ has communicated extensively with Neudesic over the last four months regarding Neudesic's failed performance of the integration work under SOW ARI 092215. Since June 10, 2016, OneAZ has met and communicated with Neudesic regarding Neudesic's committed deliverables for the Phase 1 Operationalization of the Project under SOW One 0506616. To date, Neudesic has failed to satisfactorily complete key functionality requirements and deliverables under the SOWs. Specifically these failures include:

Neudesic Software Code Functionality Failures. The Neudesic created software code contains material functionality failures in the following respects

- Instances of comingled unrelated individuals account and product data in Deposit Summary

Portland Office – 121 SW Morrison Street, Suite 600, Portland, Oregon 97204
Central Oregon Office – Five Pine Station, 750 Buckaroo Trail, Suite 203, Sisters, Oregon 97759

FARLEIGH WADA WITT

Neudesic, LLC
July 22, 2016
Page 2

- Instances of comingled unrelated individuals account and product data in Loan Summary
- Instances of Raddon data aligned with incorrect Individual
- Instances of prospect records not being created from new non-member Applications
- Instances of duplicate Applications
- Instances of duplicate Product Association records in Domain database root cause unresolved
- Instances of Member Deposit Summary records with Member ID = Null in Domain database
- Instances of Member Loan Summary records with Member ID = Null in Domain database
- Instances of Investment Service Representative information displaying incorrectly
- Instances of Application Status showing the wrong product and mishandling co-borrower information

Neudesic Documentation -- Materially Incomplete. Neudesic's project documentation is materially and substantially incomplete based upon review by OneAZ, Microsoft and as acknowledged by Neudesic in the following respects:

- Microsoft noted: Documentation incomplete. Undocumented databases noted.
- Microsoft noted: Documentation incomplete to allow for knowledge transfer and 3rd party managed services.
- Neudesic Noted: Documentation incomplete. Undocumented logic and databases noted. (Gerald Walsh)
- Neudesic Noted: Application channel data missing from the Domain Applications table (corresponding to the dbo.hsl_application.hsl_channel field in CRM stage). Per Neudesic team, a discrepancy in the modeling of Related Party and Source data from MC and APPRO exists between Domain and CRM stage and should be corrected to eliminate work-around.

Neudesic System Configuration and Performance Failures. Neudesic's system configuration service and performance is materially and substantially incomplete and results in material performance failures or errors - based upon review by OneAZ and independently substantiated by Microsoft in the following respects:

- Server is running SQL 2014 RTM which support ended 7/12/16, install SP1 or SP2 for SQL 2014.

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Neudesic, LLC
July 22, 2016
Page 3

- SQL Tuning - Trace Flag 4199 is not enabled to control multiple query optimizer changes.
- SQL Tuning – Update database auto-growth settings to match best practices.
Reference: Follow SQL Tuning For Azure VMs - https://azure.microsoft.com/en-us/documentation/articles/virtual-machines-windows-sql-performance/
- Optimize Databased Indexing.
Reference: Follow SQL Tuning For Azure VMs - https://azure.microsoft.com/en-us/documentation/articles/virtual-machines-windows-sql-performance/
- BizTalk cumulative updates are not installed. It is recommended to be on the latest CU.
- Custom SQL jobs are found on BizTalk database instance to take backups and reindex databases. These are not needed as BizTalk has its own job to take backups, which is recommended to take backups. It was found that backups are present from the last 2 months on the backup folder. There needs to be a retention policy for those files.
- It was found that tracking is turned on in BizTalk. It's recommended to minimize tracking.
- SQL is generating a lot of errors for being unable to send mail to a user Scott from DBMail. This was found to be not installed.
- Update all jobs on SSIS VM to have OneAZ as the owner, and OneAZ's SMTP information for all alerting.

OneAZ has provided Neudesic staff all necessary system access to complete all necessary work to correct and complete these unfinished or nonperforming conditions. Furthermore, OneAZ remains ready, able and willing to assist Neudesic in completion of these matters.

In the event Neudesic fails to correct and cure each of these breach conditions in an acceptable and functional manner within ten (10) days of the date of this letter, OneAZ will terminate the agreement and commence suit to recover all amounts paid to Neudesic under this Agreement and SOWs.

Please direct any inquiries on this matter to me at this office.

Sincerely,

Brian R. Witt

BRW/jl

Exhibit 11

∩ EUƆESIC

August 11, 2016

Below is Neudesic's response to OneAZ's request for findings and approach to remediation of the three categories of issues identified in July 22, 2016 letter from Brian Witt.

OVERVIEW

OneAZ has discovered a number of issues with the system that is currently running on the production server, but not used in Production as of yet. OneAZ contacted Neudesic on July 22, 2016 to make us aware of the issues and OneAZ's desire to have these issues fixed. Neudesic values our relationship with OneAZ and, while ultimately disclaiming legal responsibility for such issues, quickly pulled a team together to better understand the issues and began investigation into causes and solutions.

We did face some challenges in a lack of access, initially, which has since been resolved and further that some of the issues were not well defined or documented. Microsoft provided OneAZ with information that identified a number of the issues, and connected Neudesic with their contacts at Microsoft on Friday, August 5th to better understand Microsoft's recommendations. Contact with Microsoft was important as they were the source of a number of the recommendations and they are still working to respond to a number of questions.

We have divided the issues into three different types of issues including: Functional Issues, Configuration/Performance Issues, and Documentation Issues.

Our first focus has been the Functional Issues as they are largest source of pain for the business. We have already implemented the majority of the changes needed to fix these issues with only 1 item of 10 still left to troubleshoot. Assuming cooperation from OneAZ, we expect full resolution of the Function Issues within approximately three weeks of a decision to move forward from OneAz. The primary reason for the 3-week time frame is to give both OneAZ and Neudesic enough time to test and verify that the solution corrects the issues plus the deployment of those issues into production.

We have also, thru our conversation with Microsoft, gained a better understanding of the Configuration Issues and are prepared to help OneAz resolve those issues as well. These issues consist primarily of server settings that we just need to walk OneAz thru turning on/off and/or configuring. These will be completed in the three-week timeframe as well.

Finally, there have been some gaps identified in the system documentation and more specifically providing enough documentation for a 3rd party to be able to run/operate the system. Getting a third party up to speed will take a little bit of time, because as with anything new it takes time for the new person/organization to absorb and understand what has been implemented. Neudesic is interested in seeing a successful transition from development into maintenance. To this end, we will update the

documentation and provide a full day of training to the 3rd party. Beyond the training, we will also make ourselves available on an as needed basis to the 3rd party for 45 days beyond the completion of this remediation to answer questions and help troubleshoot any issues that might arise.

More details regarding our findings and approach to each of the issue categories is included below.

FUNCTIONAL ISSUE FINDINGS/REMEDIATION

#	Item
1	Instances of comingled unrelated individuals account and product data in Deposit Summary
2	Instances of comingled unrelated individuals account and product data in Loan Summary
3	Instances of Raddon data aligned with incorrect individuals
4	Instances of prospect records not being created from new non-member Applications
5	Instances of duplicate Applications
6	Instances of duplicate Product Association records in Domain database root cause unresolved
7	Instances of Member Deposit Summary records with MemberID = NULL in Domain Database
8	Instances of Member Loan Summary records with MemberID = NULL in Domain Database
9	Instances of Investment Service Representative information displaying incorrectly
10	Instances of Application Status showing the wrong product and mishandling co-borrower information

Neudesic identified an issue with the ProductAssociation table that Neudesic believes addresses #'s 1, 2, 6 and 10. [The issue was related to how the non-primary members were being uniquely identified. In cases where the member record didn't have a SSN, existing code was not able to uniquely identify a member record. The solution is to include the Association Number in the Domain database model and to use this to uniquely identify records]. Development is complete and deployment to QA for testing will be done within the phased framework previously specified.

Neudesic identified an issue with how data is handled in the MemberSK table that Neudesic believes addresses #'s 4 and5. [The issue relates to code that handles prospects from Mortgage Cadence and Appro. The code was based on how the prospect records were handled prior to implementation of the MemberSK architecture. The solution is to change the logic to properly write records to both MemberSK and Member]. Solution development is complete and we are currently unit testing the solution targeting deployment within the phased framework previously specified.

Neudesic identified an issue of orphaned records in the ProductAssociation table, that Neudesic believes addresses #'s 3, 7 and 8. The source of this issue was an incorrectly applied hot fix deployed earlier this year. Neudesic believes that this will be resolved by truncating and refreshing the Domain database data after deployment of the MemberSK and/or ProductAssociation fixes. A document describing the steps to execute the Truncate and Reload process will be created and updated during the Truncate and Reload process in QA and production.

Neudesic is still investigating # 9. We received new information from Rachel on 8/9/2016 to help identify the root issue.

CONFIGURATION/PERFORMANCE ISSUE FINDINGS/REMEDIATION

Neudesic will perform the requested tasks below though to allow Premier Field Engineering (PFE) to support the environment. Future updates need to be covered by OneAZ, PFE or a 3ʳᵈ party managed services provider.

#	Item	Action/Resolution
15	SQL Server 2014 RTM	Neudesic will upgrade to the SSIS server database to SP2 in Integration, QA and Production
16	SQL tuning Trace Flag 4199	Initial research shows this flag is unlikely to impact system performance, although Neudesic recognizes this has been requested by Microsoft PFE. Neudesic will apply this flag in Integration, QA and Production.
17	Auto-growth settings	Neudesic will set databases to auto-grow at 100MB. Starting values will be set to within 25% of the current production database size.
18	Optimize Indexes	PFE has not provided exact reports on changes needed which Neudesic has requested. Neudesic will apply indexes based on best practices. The updated indexes applied by Neudesic will be reviewed by Microsoft before sending to OneAZ.
19	BizTalk CU updates	Neudesic will update to latest CU for the currently installed version of BizTalk in Integration, QA and Production. Neudesic has already installed on Integration/Development and both QA BizTalk servers.
20	BizTalk Custom jobs	Neudesic only installed one custom job which was put in place to allow the downstream processes in SSIS to start sooner. This job is required and must stay in place. Microsoft was not able to provide the job names for Neudesic to verify. We will respond once we receive this information.
21	Tracking Turned On in BizTalk	Neudesic has left on minimal tracking in Production which is purged after 30 days in production to aid in troubleshooting issues. Neudesic is waiting on direction from Microsoft on what level of tracking is required.
22	SQL errors for emails to Scott	Neudesic has identified the package and will update to an email user or group specified by OneAZ. OneAZ will need to provide a user or group email address for administrative/IT alerts. Neudesic recommends a group email address. Neudesic does not have access to make this change so either permission needs to be granted by OneAZ or OneAZ will need to make the change.
23	Update jobs to OneAZ and SMTP alerting to OneAZ	Neudesic updated job ownership to CLP-INTSQL in production. Alerts are being sent to the following email accounts crmreports@OneAZcu.com; Alerts@OneAZcu.com; This item is complete in production.

DOCUMENTATION ISSUES FINDINGS/REMEDIATION

Neudesic will complete the following updates below which will be reviewed internally and with Microsoft before sending to OneAZ for review.

#	Item	Action/Resolution
11	Undocumented databases	Documentation exists for databases in architecture document. Neudesic will validate and update any documents related to the CRM Integration project. The updated Neudesic provided documentation will be reviewed by Microsoft before sending to OneAZ.
12	Documentation incomplete to allow for knowledge transfer and 3rd party managed services	Neudesic will provide overall flow of packages and steps in the process. The documentation will provide a description of the packages and steps. Any packages that are no longer relevant will be removed. The updated Neudesic provided documentation will be reviewed by Microsoft before sending to OneAZ.
13	Undocumented logic and databases	This will be covered by 11 and 12, although Neudesic expects that a 3rd party can read and understand logic embedded in SSIS packages and SQL logic. The updated Neudesic provided documentation will be reviewed by Microsoft before sending to OneAZ.
14	App channel data missing from the Domain Applications table	Still investigating

OVERALL REMEDIATION TIMELINE/APPROACH

Phase I: Test Functional Issue Resolution
Neudesic will resolve the items in Functionality and Performance & Configuration and deploy to the QA environment.

In order to do sufficient QA testing in a condensed time period, Neudesic requires 7 days of incremental staging data be made available in the QA environment. The approach will be to truncate data in the QA Domain and CRM Stage databases, then reload with this sequence of data. This will allow us to test code changes with incremental updates made to the data during normal production usage patterns.

To facilitate this we will need OneAZ to restore seven copies of the CLP-StgSQL database to the QA SQL instance (clq-crmqasqlsrv.database.windows.net). The copies need to be taken from the following and should be named so we can easily tell date and time the database backup was restored from.
1. Current date/time minus 6 days
2. Current date/time minus 5 days
3. Current date/time minus 4 days
4. Current date/time minus 3 days
5. Current date/time minus 2 days
6. Current date/time minus 1 days
7. Current date/time

Backup copies of StgSQL can be removed by OneAZ upon successful completion of the project.

Phase II: OneAZ Review and Testing

For Neudesic and OneAZ to stay within the expected three-week delivery window, we will need OneAZ to review/validate the planned update within 3 business days of Neudesic being complete with Phase I.

Phase III: Production Deployment and Documentation Remediation

Neudesic will deploy Functionality and Performance & Configuration items to production and provide final documentation.   We are dependent on Microsoft for timely review and response to our documentation updates and other change recommendations to ensure we meet the three-week target for issue resolution.

Exhibit 12

OneAZ
CREDIT UNION

2355 W. Pinnacle Peak Rd., Phoenix, AZ 85027
1.844.OneAZcu | OneAZcu.com

September 26, 2016

REGULAR & CERTIFIED MAIL

Tim Marshall
Lisa Cohrs, Associate General Counsel
Neudesic Legal Department
Neudesic, LLC
8105 Irvine Center Dr., Suite 1200
Irvine, CA 92618

RE: *Neudesic Breach & Termination of Agreement*

Dear Mr. Marshall & Ms. Cohrs:

Since May 2016, OneAZ Credit Union (OneAZ) has tried to work with Neudesic, LLC (Neudesic) regarding Neudesic's inability to complete and/or deliver the Project Deliverables from SOW ONE 506616 under the Master Services Agreement dated March 22, 2013.

On July 22, 2016, OneAZ formally notified Neudesic regarding Neudesic's substantial breach of the Agreement and failure to perform and demanded performance or assurances of performance within 10 days.   Following this Notice, Neudesic attempted to complete or remediate a portion of the breach conditions.

On August 11, 2016 Neudesic acknowledged the numerous breach conditions in its written plan of remediation to OneAZ and assessment of the Functional, Configuration and Documentation Issues.   While Neudesic promised to fulfill a reduced scope of its contractual obligations, Neudesic would not commit to any core period, has not adhered to the contract cure period and ultimately has failed to perform the necessary work to complete the project. Neudesic has not performed any work or even communicated with OneAZ since August 15, 2016.

Based upon Neudesic's failure to perform its contractual obligations, failure to provide any assurances of performance and continued breach of the Agreement, OneAZ is exercising its right to terminate the Agreement with Neudesic, effective immediately. OneAZ is analyzing the damages it has incurred as a result of Neudesic's breach and will take action to recover its damages.

Sincerely,

Kim Reedy
EVP/CFO
602-467-4056
kreedy@oneazcu.com