



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

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In Re:

CUMORAH CREDIT UNION,

Respondent.

**ORDER CLOSING CREDIT UNION
AND APPOINTING RECEIVER AND/OR
LIQUIDATING AGENT**

**ORDER CLOSING CREDIT UNION AND APPOINTING
RECEIVER AND/OR LIQUIDATING AGENT**

The State of Nevada, Department of Business and Industry, Financial Institutions Division (hereinafter "Division"), hereby appoints the AMERICAN MUTUAL SHARE INSURANCE CORPORATION (hereafter "ASI") as Receiver and/or Liquidating Agent for CUMORAH CREDIT UNION (hereafter "Credit Union") pursuant to Nevada Revised Statutes ("NRS") Chapter 678.

JURISDICTION

1. Credit Unions operating in the State of Nevada are governed by Chapters 658 and 678 of the Nevada Revised Statutes ("NRS") and the related chapters of the Nevada Administrative Code ("NAC"). The Division has primary jurisdiction for the licensing and regulation of credit unions. NRS 678.250.

2. Pursuant to the authority vested by NRS Chapter 678, the Division issues the following Order (hereinafter "Order").

1 **FINDINGS OF FACTS**

2 3. CUMORAH CREDIT UNION (hereafter the "Credit Union") requested that the
3 Commissioner of the Financial Institutions Division declare the institution insolvent and
4 appoint a Liquidating Agent and/or Receiver.

5 4. The ASI is a private share guaranty corporation which examines and provides
6 insurance for the deposit/share accounts of contracted state chartered credit unions and is
7 incorporated and licensed under the laws of the State of Ohio.

8 5. The ASI has a contractual relationship with the Credit Union whereby ASI will
9 provide insurance coverage for the Credit Union's member share accounts, if it becomes
10 insolvent, bankrupt or is operating in an unsafe and unsound condition.

11 6. The further operation of the Credit Union will endanger the safety and soundness
12 of the members' share accounts and will cause a loss to the ASI insurance fund.

13 7. The Credit Union has entered into a Consent Order with the Division and has
14 requested that the Division declare the Credit Union insolvent and appoint a liquidating agent.

15 8. Any finding of fact that is more properly characterized as a conclusion of law shall
16 be construed as such.

17
18 **CONCLUSIONS OF LAW**

19 9. Pursuant to NRS 678.830, if a credit union is insolvent, bankrupt or operating in
20 an unsafe and unsound condition, the Division may suspend the operations of the Credit
21 Union and order a hearing. The Credit Union has the opportunity to submit a plan for
22 corrective action to avoid liquidation or the Credit Union may request that the Commissioner
23 appoint a liquidating agent.

24 NRS 678.830 Involuntary dissolution: Suspension of operations;
25 corrective actions; declaration of insolvency; liquidation.

26 1. If the Division determines that any credit union organized
27 pursuant to the provisions of this chapter is bankrupt or insolvent,
28 has willfully violated the provisions of this chapter or is operating

1 in an unsafe or unsound manner, the Division may, if emergency
2 action is required to protect the assets of the members, issue an
order temporarily suspending the credit union's operations.

3 Reasonable notice of the suspension of operations and of the
4 impending hearing shall be given to the board. Operations of the
credit union shall cease upon receipt of notice from the Division.

5 2. At the scheduled hearing, the board shall, if it desires to
6 continue operations, submit a plan of corrective actions. If the
board desires, it may, prior to the hearing, request the
Commissioner to declare the credit union insolvent and appoint a
liquidating agent.

7 3. If the credit union is not represented at the scheduled
8 hearing or the Division rejects the credit union's plan to continue
operations, the Commissioner may appoint a liquidating agent and
9 dissolve the credit union.

10 10. The Credit Union agreed to waive its right to present a plan for corrective action
11 and have a hearing regarding the findings of the Division.

12 11. The Credit Union agreed it was insolvent and requested the Commissioner to
13 declare it insolvent.

14 12. The ASI has agreed to accept the appointment as Liquidating Agent and/or
15 Receiver for the Credit Union.

16 13. The ASI, as liquidating agent, agrees to pursue a successful purchase and
17 assumption of all of the Credit Union's assets and liabilities, respectively, with another qualified
18 credit union which is financially able to purchase and assume such assets and liabilities.

19 14. The Receiver and/or Liquidating Agent shall have the power, at its discretion and
20 pursuant to Nevada law, to sell or merge the Credit Union with another credit union, or
21 liquidate the Credit Union.

22 15. If at any point the Commissioner for the Division determines that there is a danger
23 to the member share accounts of the Credit Union, the Commissioner may take any and all
24 appropriate action pursuant to his authority under Nevada law.

16. ASI shall maintain and continue any and all contractual obligations, including but not limited to all insurance obligations, to the Credit Union until such time as the parties agree that those obligations are no longer required.

17. If any conclusion of law is more properly characterized as a finding of fact, it shall be deemed as such.

ORDER

IT IS HEREBY ORDERED that CUMORAH CREDIT UNION is CLOSED and its charter is hereby REVOKED.

IT IS FURTHER ORDERED that the FINANCIAL INSTITUTIONS DIVISION shall take possession of CUMORAH CREDIT UNION.

IT IS FURTHER ORDERED that the AMERICAN MUTUAL SHARE INSURANCE CORPORATION shall be appointed Liquidating Agent for CUMORAH CREDIT UNION.

IT IS FURTHER ORDERED that the Liquidating Agent shall be given such authority pursuant to Nevada law to liquidate and/or sell the assets of the credit union to a qualified credit union. ASI shall take immediate possession of the books, records and assets of the Credit Union.

IT IS FURTHER ORDERED that if a purchase and assumption transaction cannot be completed within three (3) days from the date of this Order, or if the Liquidating Agent declares that a purchase and assumption transaction is not possible, the Liquidating Agent shall distribute assets pursuant to NRS 678.840.

SO ORDERED this 23rd day of October, 2009.

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

By: GEORGE E. BURNS,
Commissioner