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**STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION**

1179 Fairview Drive,
Ste. 201
Carson City, Nevada 89701
(775) 689-5522

In Re:

CUMORAH CREDIT UNION,

Respondent.

**CONSENT ORDER REGARDING
DECLARATION OF INSOLVENCY AND
APPOINTMENT OF RECEIVER AND/OR
LIQUIDATING AGENT**

**CONSENT ORDER FOR RECEIVER
AND/OR LIQUIDATING AGENT**

The State of Nevada, Department of Business and Industry, Financial Institutions Division (hereinafter "Division") and CUMORAH CREDIT UNION (hereinafter "Credit Union") hereby stipulate and agree to this Consent Order Regarding Declaration of Insolvency and Appointment of Receiver and/or Liquidating Agent 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 and the Credit Union (collectively "the parties") have agreed and stipulated to the following Consent Order (hereinafter "Consent Order").

STATEMENT OF FACTS

3. Respondent is a nonprofit corporation organized and registered under the laws of the State of Nevada.

4. The AMERICAN SHARE INSURANCE (hereinafter "ASI") is a private insurance company which examines and provides insurance for the accounts of contracted state chartered credit unions and is organized and registered under the laws of the State of Ohio..

5. The ASI has a contractual relationship with the Credit Union to provide insurance coverage for the Credit Union's member share accounts (hereafter "accounts").

6. The Division has conducted an examination of the Credit Union and has made the following findings:

- a. Poor asset quality;
- b. Poor liquidity;
- c. Inadequate earnings;
- d. Critically undercapitalized; and
- e. Excessive loan risk.

7. The Credit Union is operating in an unsafe and unsound manner.

8. The Credit Union is in imminent danger of insolvency.

9. Further, the ASI has joined or concurred in the examination conclusions regarding the Credit Union.

10. The further operation of the Credit Union will endanger the safety and soundness of the member's deposits and jeopardize the insurance fund of ASI.

11. The Credit Union understands and accepts the findings and conclusions of the Division and ASI.

12. As a result of the above-stated findings, the Credit Union is insolvent and is operating in an unsafe and unsound condition.

13. As a result of the examination, the Division has issued a Cease and Desist Order to the Credit Union to provide the Division with a plan for corrective action.

14. While the Credit Union has been provided an opportunity to present a plan for corrective action, the Credit Union is unable to present a corrective plan which will resolve the problems addressed in the Division's Cease and Desist Order.

15. The Credit Union has neither the means nor the ability to obtain additional capital to prevent the failure of the institution.

16. The Credit Union has requested that the Commissioner of the Division declare the Credit Union insolvent and appoint a liquidating agent and/or receiver.

STATEMENT OF LAW

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

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

1. If the Division determines that any credit union organized pursuant to the provisions of this chapter is bankrupt or insolvent, has willfully violated the provisions of this chapter or is operating in an unsafe or unsound manner, the Division may, if emergency action is required to protect the assets of the members, issue an order temporarily suspending the credit union's operations. Reasonable notice of the suspension of operations and of the impending hearing shall be given to the board. Operations of the credit union shall cease upon receipt of notice from the Division.

2. At the scheduled hearing, the board shall, if it desires to 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.

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

1 18. The Credit Union agrees to waive its right to present a plan for corrective action
2 and have a hearing regarding the findings of the Division.

3 19. In addition to the rights set forth above, the Commissioner has the power to
4 take possession of the Credit Union as a depository institution pursuant to NRS 658.151.
5 NRS 658.151(1) reads, in part, as follows:

6 The Commissioner may forthwith take possession of the
7 business and property of any depository institution to which this
8 title or title 56 of NRS applies when it appears that the
depository institution:

9 * * * *

10 (c) Is in an unsafe or unsound condition to transact its
business.

11 * * * *

12 (f) Has become otherwise insolvent or is in imminent danger
13 of becoming insolvent.

14 * * * *

15 20. Credit unions are regulated pursuant to NRS Chapter 678 which is under Title 56
16 of the Nevada Revised Statutes.

17 **STATEMENT OF AGREED TERMS**

18 21. The Credit Union and the Division agree that the Credit Union is insolvent and
19 that the appointment of a Receiver and/or Liquidating Agent is the most appropriate course of
20 action to secure the safety of the accounts and the preservation of assets.

21 22. The Credit Union hereby requests that the Commissioner of the Division declare
22 the Credit Union insolvent and appoint a liquidating agent and/or receiver.

23 23. The parties agree that the Receiver and/or Liquidating Agent shall have the
24 power, at its discretion and pursuant to Nevada law, to sell or maintain any assets, to sell or
25 merge the Credit Union with another qualified credit union, or to liquidate the Credit Union.

26 24. The parties agree that if at any point the Commissioner for the Division
27 determines that there is a danger to the assets of the members of the Credit Union, the
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1 Commissioner may take any and all appropriate action pursuant to his authority under
2 Nevada law.

3 **CREDIT UNION WAIVER OF RIGHTS**

4 25. The Credit Union is aware of, and fully understands, its right to have a hearing
5 on the alleged violations, its rights to reconsideration, appeal, and all other rights which may
6 be accorded by the Nevada Administrative Procedure Act, the Nevada Credit Union Act and
7 accompanying regulations, and the federal and state constitutions.

8 26. The Credit Union understands that it has the right to be represented by counsel
9 in this matter at its own expense. The Credit Union further understands that it has the
10 opportunity to retain counsel and consult with counsel regarding this matter.

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

13 28. The Credit Union waives its rights or claims for a hearing and any other rights
14 or due process considerations it may be given pursuant to law.

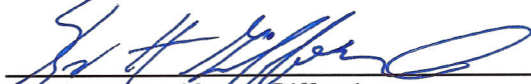
15 **CONSENT ORDER**

16 IT IS HEREBY AGREED AND ORDERED that the CUMORAH CREDIT UNION is
17 declared insolvent.

18 IT IS FURTHER AGREED AND ORDERED that the FINANCIAL INSTITUTIONS
19 DIVISION shall take possession of CUMORAH CREDIT UNION and revoke its charter.

20 IT IS FURTHER AGREED AND ORDERED that the FINANCIAL INSTITUTIONS
21 DIVISION shall appoint a Liquidating Agent and/or Receiver for CUMORAH CREDIT
22 UNION.

1 DATED, this 19th day of October 2009.

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3 Chairman – Kerry Gifford


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5 Vice Chairman – Brent Larkin

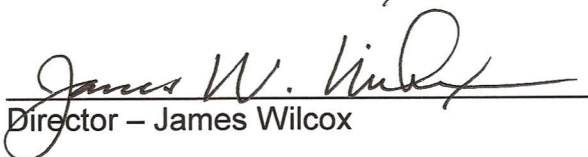
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7 Secretary – A. Kent Greene

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10 Director – Gary Mohler

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12 Director – Greg Morris

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14 Director – James Wilcox

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18 **ORDER**

19 SO ORDERED this 19th day of October, 2009.

20 STATE OF NEVADA
21 DEPARTMENT OF BUSINESS AND INDUSTRY
22 FINANCIAL INSTITUTIONS DIVISION

23 By: 
24 GEORGE E. BURNS,
25 Commissioner
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