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Description of document: National Credit Union Administration (NCUA) Board
Closed Meeting Minutes, 1991

Requested date: 2017

Released date: 19-April-2017

Posted date: 05-February-2018

Source of document: FOIA Request
National Credit Union Administration
Office of General Counsel
1775 Duke Street, Alexandria, VA, 22314
Fax: 703-518-6569
Email: FOIA@ncua.gov

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National Credit Union Administration

April 19, 2017

SENT BY E-MAIL

RE: FOIA 17-FOI-00011

This letter responds to your FOIA request to the NCUA for the Closed Meeting Minutes for the NCUA Board, for meetings held during calendar years 1990 and 1991.

Your request is granted in part. The agency has no responsive records for 1990, since these records were sent to the National Archives before we digitized our records. We have attached 58 pages from 1991, including 6 pages with redactions. Redacted material is exempt from FOIA release under one or more of the exemptions at 5 U.S.C. 552(b)(6), (7)(C), and (8). FOIA Exemption 6 protects information about individuals in personnel and medical files and similar files when the disclosure of such information would constitute a clearly unwarranted invasion of personal privacy. FOIA Exemption 7(C) protects personal information, compiled for law enforcement purposes, when disclosure could reasonably be expected to constitute an unwarranted invasion of personal privacy. FOIA Exemption 8 protects information contained in or related to examination, operating or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions.

You may contact me and the FOIA Requester Service Center, and the FOIA Public Liaison by e-mail (foia@ncua.gov), or phone (703-518-6540) for further assistance or to discuss your request. You also may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration (NARA) to inquire about FOIA mediation services. That contact information is: OGIS: NARA, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001; ogis@nara.gov; telephone # 202-741-5770; toll free # 1-877-684-6448; or fax # 202-741-5769.

If you are not satisfied with the FOIA response, you may file an administrative appeal. It must be in writing and postmarked, or electronically transmitted, within 90 days from today. If you file an appeal, please write "FOIA-APPEAL" in the letter and on the envelope (or in the subject line if by e-mail to foia@ncua.gov) addressed to: NCUA, Office of General Counsel-FOIA APPEAL, 1775 Duke St., Alexandria, VA 22314-3428.

Sincerely,

A handwritten signature in blue ink that reads 'Regina Metz'.

Regina Metz
Senior Attorney Advisor

GC/RM:CS; 17-FOI-00011

Minutes of Board Meeting
National Credit Union Administration
January 3, 1991
Emergency Closed

The National Credit Union Administration (NCUA) Board came together in the Filene Board Room, 7th Floor, at 1:05 p.m. to determine whether or not to hold a closed meeting with less than the usual seven days advance notice. Chairman Roger W. Jepsen and Board Member Robert H. Swan were present. There is a vacancy on the NCUA Board. Staff present during the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

General Counsel Robert Fenner certified that the item may be closed pursuant to exemptions (8), (9)(A)(ii), and (9)(B) of the Sunshine Act and the nature of the action warranted holding it with less than the usual seven days advance notice as required by the Sunshine Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board voted unanimously that agency business requires that this meeting be held with less than the usual seven days advance notice and that it be closed to the public.

The Board then considered the items and took action on each as indicated.

1. Requests under Section 306 of the Federal Credit Union Act.

a. Eastern Corporate Federal Credit Union.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved a \$50 million line of credit to Eastern Corporate Federal Credit Union from the Central Liquidity Facility guaranteed by the National Credit Union Share Insurance Fund, such line of credit to be subject to the assignment to the NCUSIF of a security interest in the assets of borrowing member credit unions of Eastern Corporate equal to the amount of the credit granted; and delegated authority for disbursements of the line of credit to the Regional Director, Region I (Albany) with the concurrence of the Director, Office of Examination and Insurance.

Background and Discussion. This item was presented to the Board by David Marquis, Deputy Director, and Timothy Hornbrook, Director, Department of Supervision, Office of Examination and Insurance; and Robert LaPorte, President, Central Liquidity Facility. The item, as presented to and approved by the Board,

Minutes of Board Meeting
National Credit Union Administration
January 3, 1991
Emergency Closed

is included as attachment No. 1 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Director, Office of Examination and Insurance; DATE: January 3, 1991; SUBJ: Request for emergency line of credit for Eastern Corporate Federal Credit Union.

Beginning his presentation, Mr. Marquis stated that the action requested is Board approval of a \$50 million line of credit to Eastern Corporate Federal Credit Union from the Central Liquidity Facility and guaranteed by the National Credit Union Share Insurance Fund (NCUSIF). In summary, the insolvency of the Rhode Island Share and Deposit Indemnity Corporation and the resulting closure of the credit unions insured by RISDIC have caused concern that Massachusetts credit unions in the immediate vicinity of Rhode Island could experience excess cash withdrawals. The \$50 million line of credit is to cover emergency liquidity needs of federally insured credit unions in Massachusetts. Therefore, the Director, Office of Examination and Insurance, recommends that the NCUA Board grant approval of a \$50 million line of credit to Eastern Corporate Federal Credit Union. It is further recommended that the NCUA Board delegate authority for disbursements of the approved line of credit to Eastern Corporate Federal Credit Union to the Regional Director, Region I (Albany), with the concurrence of the Director, Office of Examination and Insurance.

Mr. Marquis stated that the credit will be granted subject to the assignment to the NCUSIF of a security interest in the assets of the borrowing credit union equal to the amount of the credit granted.

General Counsel Robert Fenner clarified that the security interest will be in the assets of the downline credit union that is borrowing from the corporate. The security interest in those borrowing credit unions' assets will be assigned to the NCUSIF and not the assets of Eastern Corporate FCU.

Mr. Marquis then restated the recommendation as stated in the Board Action Memorandum. He clarified that the assets of the credit union that is borrowing through Eastern Corporate Federal Credit Union will secure the line of credit with assets assigned over to the Share Insurance Fund.

Minutes of Board Meeting
National Credit Union Administration
January 3, 1991
Emergency Closed

b. RICUL Corporate Credit Union.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved a \$50 million line of credit for Rhode Island Credit Union League Corporate Credit Union, also known as RICUL Corporate Credit Union, from the Central Liquidity Facility guaranteed by the National Credit Union Share Insurance Fund, such line of credit to be subject to the assignment to the NCUSIF of a security interest in the assets of the borrowing member credit unions of RICUL Corporate Credit Union equal to the amount of credit granted; and delegated authority for disbursements of the line of credit to the Regional Director, Region I (Albany), with the concurrence of the Director, Office of Examination and Insurance.

Background and Discussion. This item was presented to the Board by David Marquis, Deputy Director, and Timothy Hornbrook, Director, Department of Supervision, Office of Examination and Insurance; and Robert LaPorte, President, Central Liquidity Facility. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Director, Office of Examination and Insurance; DATE: January 3, 1991; SUBJ: Request for emergency line of credit for RICUL Corporate Credit Union.

Prior to Mr. Marquis' presentation and responding to a request from the Chairman, General Counsel Robert Fenner stated that RICUL stands for Rhode Island Credit Union League Corporate Credit Union.

Beginning his presentation, Mr. Marquis stated that the action requested is that the NCUA Board approve a \$50 million line of credit to the RICUL Corporate Credit Union from the Central Liquidity Facility and guaranteed by the National Credit Union Share Insurance Fund. It is further recommended that the NCUA Board delegate the authority for disbursements of the approved line of credit to RICUL Corporate Credit Union to the Regional Director, Region I (Albany), with the concurrence of the Director, Office of Examination and Insurance. The credit will be granted subject to the assignment to the National Credit Union Share Insurance Fund of a security interest in the assets of the borrowing credit union equal to the amount of the credit granted.

Minutes of Board Meeting
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January 3, 1991
Emergency Closed

Regarding RICUL Corporate, Chairman Jepsen asked if the league has direct control of the corporate. Mr. Marquis stated that the league and the corporate have offsetting boards of directors. There are several corporates like this where the board of the league is also the board of the corporate.

Chairman Jepsen stated that the chairman of this league is also president of this corporate. Agreeing, Mr. Marquis added that this is essentially the reason for making sure the NCUSIF gets the secured interest in the credit union assets directly as opposed to having the assets just assigned to the corporate. Chairman Jepsen inquired if the action requested had been discussed with the league president to ensure that he has an understanding of how this is to work. Mr. Marquis replied that he thought Regional Director Layne Bumgarder and Mike Riley, Director, Office of Examination & Insurance, will be discussing this with him.

Chairman Jepsen stated that he would support staff's request. He pointed out that this is an additional reason why the agency needs to continue to look very closely at the overlapping of the trade associations and the controls they have in times of crisis. In this situation, Rhode Island, as in similar situations, there has been a tremendous amount of pressure on people who have direct input and control of large amounts of money within the credit union community that are less than arms length from the situation. Whereas it has apparently not caused a great problem in this instance, there is continued concern that the income of credit union league representatives - who grant large amounts of money or extended lines of credit to financial institutions - is comprised of payments made in the way of dues by these same financial institutions. It is not a healthy situation. Mr. Marquis agreed. He stated in times like this and in this particular crisis it would be very difficult to determine on their part whose interest they are voting. Chairman Jepsen added that as in all financial planning for safety and soundness, the agency must keep paramount in its actions and deliberations the fact that this is what the agency has regulations and rules for. As long as everything is going smoothly there are obviously no problems, but it is times like this that point out more than ever that there must be as much distance and arms length relationship as possible.

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Referring to an earlier concern that he had which has been addressed by staff, Board Member Swan clarified that in the delegation of authority staff will make sure the money that is available is only available to those federally insured credit unions which may find need. The other aspect of it is the collateral and commitment which secures the agency's line of credit. He stated that he has been assured by staff that through the delegation of authority the lending can be controlled through the corporate to only federally insured credit unions.

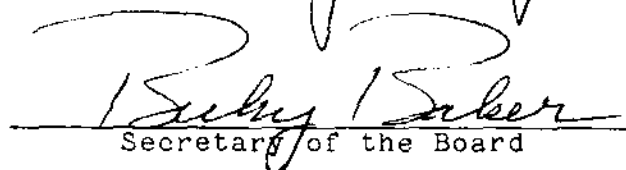
General Counsel Robert Fenner stated that he agreed with the Chairman's remark about overlap situations between the leagues and the corporates, but he thought it is important to show that as things stand now in RICUL Corporate both NCUA and the state have an examiner in the corporate full time. Staff has confidence in the operating personnel in that corporate, notwithstanding the overlaps at the senior management level, and notwithstanding what some of their involvement may have been in the RISDIC crisis. The corporate is, in a sense, in a sort of de facto conservatorship. No decision will be made without the agency's approval and certainly the credits won't be extended without every assurance that it will be going only to fund liquidity in federally insured credit unions and on full and proper collateral being assigned to the Share Insurance Fund.

Chairman Jepsen observed that whether - as in this case - there was overlap, or whether there was a completely separate board the agency would still in this type of situation have a full time person in the corporate. This does not change. General Counsel Fenner agreed.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 1:25 p.m.

Approved by the Board on

January 17, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
January 17, 1991 and January 18, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 1:35 p.m. Board Member Robert H. Swan was present. There is a vacancy on the NCUA Board. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Approval of Minutes of Previous Closed Meetings.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the minutes of its closed meetings: December 17, 1990, included as attachment No. 1A; emergency December 20, 1990, included as attachment No. 1B; and emergency January 3, 1991, included as attachment 1C.

2. Final Decision on Appeal of Denial of Insurance Coverage.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the proposed final decision and order as set forth in the Board Action Memorandum, denying the appeal of the Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, South Dakota.

Background and Discussion. This item was presented to the Board by Margaret Suuberg, Staff Attorney. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Office of General Counsel; DATE: January 11, 1991; SUBJ: Final Decision and Order - Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, South Dakota. The presentation and discussion is on pages 4 through 11 of the verbatim transcript.

3. Administrative Action under Section 206 of the Federal Credit Union Act.

Chairman Jepsen stated for the record that action on the recommendation will be temporarily deferred subject to Board Member Swan's request for review. After considering the remaining items on the agenda, the Board will recess until such time as the said review can be completed, which is expected to be within a 24-hour period. (See also page 3 of this summary.)

Minutes of Board Meeting
National Credit Union Administration
January 17, 1991 and January 18, 1991
Closed

Background and Discussion. This item was presented to the Board by D. Michael Riley, Director, Office of Examination and Insurance. The item, as presented to the Board, is included as attachment No. 3 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Regional Director, Region III (Atlanta); DATE: December 26, 1990; SUBJ: Oak Ridge Medical Center Federal Credit Union, Charter Number 09526. The presentation and discussion is on pages 11 through 18 of the verbatim transcript.

4. Administrative Actions under Section 206 of the Federal Credit Union Act.

a. Cease and Desist.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved issuing an order to Laura Jugas, former manager of Mapunapuna Federal Credit Union, to cease and desist and pay a civil money penalty as set forth in the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Allan Meltzer, Associate General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 4A and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Office of General Counsel; SUBJ: Consent to Cease and Desist Order and Civil Money Penalty. The presentation and discussion is on pages 18 through 22 of the verbatim transcript.

b. Prohibition.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved issuing the order of prohibition to David Eilrich, former manager of Brush Elmore and Reserve credit unions, as set forth in the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Allan Meltzer, Associate General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 4B and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Office of General Counsel; DATE: January 3, 1991; SUBJ: Consent to Prohibition. The presentation and discussion is on pages 22 through 26 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
January 17, 1991 and January 18, 1991
Closed

5. Personnel Actions.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the regulatory training program as set forth in the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Gerard McClernon, Deputy Executive Director. The item, as presented to and approved by the Board, is included as attachment No. 5 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Executive Director; DATE: January 17, 1991; SUBJ: Travel of NCUA staff and former staff, as appropriate, to complete regulatory needs assessment exercises in Ecuador, Guatemala and Honduras. The presentation and discussion is on pages 26 through 31 of the verbatim transcript.

Chairman Jepsen recessed the closed Board meeting at 2:10 p.m. on Thursday, January 17, 1991. He stated that the Board would reconvene the closed Board meeting on Friday, January 18, 1991, to complete action on Oak Ridge Medical Center Federal Credit Union, which is item No. 3 on the agenda.

Chairman Jepsen reconvened the closed Board meeting at 9:07 a.m. on Friday, January 18, 1991. The Board then took action on item No. 3.

3. Administrative Action under Section 206 of the Federal Credit Union Act.

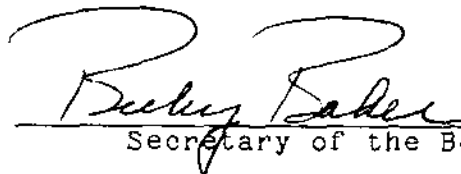
Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved placing Oak Ridge Medical Center Federal Credit Union into conservatorship, issued the order of conservatorship that is attached to the Board Action Memorandum, and appointed the Regional Director, Region III (Atlanta) agent for the conservator.

Discussion. The item was presented to the Board by D. Michael Riley, Director, Office of Examination and Insurance, and H. Allen Carver, Regional Director, Region III (Atlanta). The Board Action Memorandum is included as attachment No. 3. The presentation is on pages 1 through 3 of the January 18, 1991 verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
January 17, 1991 and January 18, 1991
Closed

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 9:10 a.m. on Friday, January 18, 1991.

Approved by the Board on February 12, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
February 12, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 9:50 a.m. Board Member Robert H. Swan was present. There is a vacancy on the NCUA Board. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Approval of Minutes of Previous Closed Meeting.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the minutes of its January 17, 1991 and continuing January 18, 1991, closed Board meetings, included as attachment No. 1.

2. Appeal by a Federal Credit Union of Field of Membership Denial.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously upheld the decision by the Regional Director, Region V (Austin) to approve three field of membership amendments for Corporate America Federal Credit Union and denied the appeal of General Telco Federal Credit Union.

Background and Discussion. This item was presented to the Board by Cynthia Mandizha, Special Assistant to the Board. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: GENERAL COUNSEL; DATE: February 12, 1991; APPEAL: Appeal by General Telco Federal Credit Union #05724. The presentation and discussion is on pages 2 through 16 of the verbatim transcript.

Prior to the Board considering the next agenda item regarding NCUA's job evaluation system, Chairman Jepsen stated that there would be a Board briefing on it. Chairman Jepsen then recessed the closed Board meeting for the briefing at 10:15 a.m.

Minutes of Board Meeting
National Credit Union Administration
February 12, 1991
Closed

Following that briefing, Chairman Jepsen reconvened the closed Board meeting at 10:38 a.m.

3. Personnel Policies.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the proposed NCUA job evaluation system for implementation; approved the proposed salary structure for implementation at a date set by the Executive Director following the non-benchmark position review; authorized the Executive Director to make minor modifications of up to ten percent to any part of the salary structure following the non-benchmark review; and authorized the Personnel Director to approve equity salary adjustments of an additional five percent over current compensation policies to facilitate the transition to new compensation, pay for performance and job evaluation systems. This authority will be valid until December 31, 1991.

Background and Discussion. This item was presented to the Board by Dorothy Foster, Director and Marilyn Gannon, Staffing and Classification Division, Personnel Office; and Joseph Rich and Beth Florin-Thuma, William M. Mercer Company. The item, as presented to and approved by the Board, is included as attachment No. 3 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Personnel Director; DATE: February 4, 1991; SUBJ: Job Evaluation System. The presentation and discussion is on pages 17 through 22 of the verbatim transcript.

4. Proposed Field of Membership Expansion Request by a Federal Credit Union.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved Deere Community Federal Credit Union's field of membership expansion to include persons who live in or work in Mahaska County, Iowa.

Background and Discussion. This item was presented to the Board by Robert Blachly, Associate Regional Director, Region V Suboffice (Sioux City). The item, as presented to and approved by the Board, is included as attachment No. 4 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Regional Director, Region V (Austin); DATE: January 28, 1991; SUBJ: Deere Community Field of Membership Expansion. The presentation and discussion is on pages 23 through 26 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
February 12, 1991
Closed

5. Administrative Actions under Section 206 of the Federal Credit Union Act.

a. Prohibition: Denise M. Crawford.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously approved issuing the Order of Prohibition that is attached to the Board Action Memorandum to Denise M. Crawford.

Background and Discussion. This item was presented to the Board by Richard Schulman, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 5A and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Office of General Counsel; DATE: January 9, 1991; SUBJ: Consent to Prohibition. The presentation and discussion is on pages 27 through 30 of the verbatim transcript.

b. Prohibition: Susan K. Liston.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved issuing the Order of Prohibition that is attached to the Board Action Memorandum to Susan K. Liston.

Background and Discussion. This item was presented to the Board by Richard Schulman, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 5B and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Office of General Counsel; DATE: January 9, 1991; SUBJ: Consent to Prohibition. The presentation and discussion is on pages 30 through 32 of the verbatim transcript.

c. Notice of Intent to Prohibit: John Doolittle.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved issuing the Notice of Intent to Prohibit that is attached to the Board Action Memorandum to John Doolittle.

Background and Discussion. This item was presented to the Board by H. Allen Carver, Regional Director, Region III (Atlanta) and Sheila Albin, Staff Attorney. The item, as presented to and approved by the Board, is included as attachment No. 5C and

Minutes of Board Meeting
National Credit Union Administration
February 12, 1991
Closed

identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: H. Allen Carver, Regional Director, Region III; DATE: January 28, 1991; SUBJ: John Doolittle, former manager of Bay Gulf FCU, Charter #11240. The presentation and discussion is on pages 32 through 38 of the verbatim transcript.

6. Administrative Action under Section 206 of the Federal Credit Union Act.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously approved placing Progressive Consumers Federal Credit Union into conservatorship; issued the Order of Conservatorship that is attached to the Board Action Memorandum; appointed the Regional Director, Region I (Albany), as agent for the conservator; and further approved (1) the establishment of a prior undivided earnings deficit - NCUSIF guarantee account not to exceed \$60 million to allow for the payment of dividends during the conservatorship; and (2) an NCUSIF guarantee for a Central Liquidity Facility line of credit, or the replacement of an NCUSIF guarantee by use of an NCUSIF capital note of not more than \$75 million to provide liquidity for the conservatorship.

Background and Discussion. This item was presented to the Board by Layne Bumgardner, Regional Director and Robert Trott, Problem Case Officer, Region I (Albany); and D. Michael Riley, Director, Office of Examination and Insurance. The item, as presented to and approved by the Board, is included as attachment No. 6 and identified as BOARD ACTION MEMORANDUM; FROM: Regional Director, I (Albany); TO: NCUA Board; DATE: January 22, 1991; SUBJ: Conservatorship of Progressive Consumers Federal Credit Union, Saugus, MA 01906, Charter No. 24213. The presentation and discussion is on pages 38 through 76 of the verbatim transcript.

7. Administrative Action under Section 208 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the assisted purchase and assumption agreement between First United State Credit Union and Desert Schools Federal Credit Union.

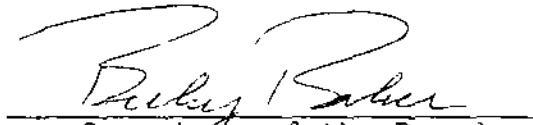
Minutes of Board Meeting
National Credit Union Administration
February 12, 1991
Closed

Background and Discussion. This item was presented to the Board by James Carlin, Director, Special Actions, Region V (Austin). The item, as presented to and approved by the Board, is included as attachment No. 7 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: John S. Ruffin, Region V Director; DATE: January 28, 1991; SUBJECT: Assisted Purchase and Assumption of First United State Credit Union, (#63979), Mesa, Arizona, into Desert Schools Federal Credit Union, (#03238), Phoenix, Arizona. The presentation and discussion is on pages 76 through 85 of the verbatim transcript.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 12:00 p.m.

(Following the closed Board meeting, there were Board briefings on: (1) NCUA operating plan; and (2) insurance conversions update and workload.)

Approved by the Board on March 13, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
March 13, 1991
Emergency Closed

The National Credit Union Administration (NCUA) Board came together in the Filene Board Room, 7th Floor, at 12:03 p.m. to hold a closed meeting with less than the usual seven days advance notice. Chairman Roger W. Jepsen and Board Member Robert H. Swan were present. There is a vacancy on the NCUA Board. Staff present during the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

Chairman Jepsen stated that it is necessary to hold this meeting for the purpose of making a correction to the motion, which was made today at the scheduled March 13, 1991, closed Board meeting, with regard to Item 6B on the agenda, Hamtramck Community Federal Credit Union.

General Counsel Robert Fenner certified that the item may be closed pursuant to exemptions (8), (9)(A)(ii), and (9)(B) of the Sunshine Act and the nature of the action warranted holding it with less than the usual seven days advance notice as required by the Sunshine Act.

The Board voted unanimously that agency business requires that this meeting be held with less than the usual seven days advance notice and that it be closed to the public.

The Board took action on the following item as indicated.

1 Administrative Action under Section 120 of the Federal Credit Union Act.

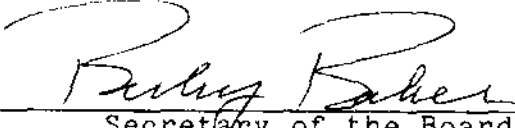
Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously upheld the Region IV Regional Director's denial of the credit union's request for a fidelity bond deductible in excess of the credit union's regulatory maximum and denied the credit union's appeal.

The discussion is on pages 2 through 5 of the verbatim transcript, which is included with this summary.

Minutes of Board Meeting
National Credit Union Administration
March 13, 1991
Emergency Closed

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 12:16 p.m.

Approved by the Board on April 16, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
April 1, 1991
Emergency Closed

The National Credit Union Administration (NCUA) Board came together in the Chairman's Office, 6th Floor, at 4:53 p.m. to determine whether or not to hold a closed meeting with less than the usual seven days advance notice. Chairman Roger W. Jepsen and Board Member Robert H. Swan were present. There is a vacancy on the NCUA Board. Staff present during the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

Deputy General Counsel James Engel certified that the item may be closed pursuant to exemptions (8), (9)(A)(ii), and (9)(B) of the Sunshine Act and the nature of the action warranted holding it with less than the usual seven days advance notice as required by the Sunshine Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board voted unanimously that agency business requires that this meeting be held with less than the usual seven days advance notice and that it be closed to the public.

1. Administrative Action under Section 206 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved placing Capitol Credit Union, Little Rock, Arkansas, into conservatorship; delegated to the Regional Director, Region III (Atlanta), the authority to sign the Order of Conservatorship; and authorized the regional director to immediately take possession and control of the business and assets of the credit union.

Background. This item was presented to the Board by H. Allen Carver, Regional Director, who was present telephonically. The Board Action Memorandum is submitted as a supplement to the oral telephonic presentation. It is included as attachment No. 1 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Regional Director, Region III (ATLANTA); DATE: April 1, 1991; SUBJ: Capitol Credit Union, Insurance Number 63749, Location - Little Rock, AR.

Beginning his presentation, Mr. Carver stated late last week the regional office was notified that the Capitol Credit Union in Little Rock, Arkansas, a federally-insured state credit union, had discovered a defalcation in their credit union amounting to approximately \$3.5 million. This credit union has total assets

Minutes of Board Meeting
National Credit Union Administration
April 1, 1991
Emergency Closed

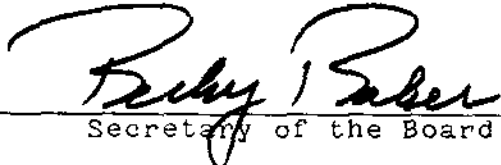
of slightly less than \$10 million. He stated, therefore, that this represents a significant loss to this particular credit union, which probably will impair its ability to operate. The press in Little Rock learned of this defalcation information over the weekend. During the past week and including today there has been a sizable amount of share withdrawals, which he thought could constitute meeting the definition of a share run at that particular credit union. The officials of the credit union have written to the Regional Office and consented to NCUA placing them into a conservatorship and to NCUA immediately taking possession and control of the business and assets of the credit union as set forth in Section 206 of the Federal Credit Union Act.

Mr. Carver stated, furthermore, that the state credit union supervisor has written to NCUA today asking that NCUA take immediate possession of the business and assets of the Capitol Credit Union under his authority as state credit union supervisor. Mr. Carver stated that staff believes this is the appropriate action that NCUA should take to stabilize the situation, to see if NCUA can restore the credit union to an ongoing concern basis. If NCUA is unsuccessful in doing that then this will expedite the process for NCUA to consummate a merger or amalgamation with another credit union to continue service to the membership.

Chairman Jepsen stated that this was an excellent report. He asked if there were any questions. The chair then entertained a motion.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 4:56 p.m.

Approved by the Board on April 16, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
April 16, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 9:40 a.m. Board Member Robert H. Swan was present. There is a vacancy on the NCUA Board. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Approval of Minutes of Previous Closed Meetings.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the minutes of its closed Board meetings: March 13, 1991, included as attachment No. 1A; Emergency March 13, 1991, included as attachment No. 1B; and Emergency April 1, 1991, included as attachment No. 1C.

2. Administrative Action under Section 206 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously delegated the authority to the Regional Director, Region I (Albany), to sign and issue the Notice of Charges attached to the Board Action Memorandum to Melrose Credit Union.

Background and Discussion. This item was presented to the Board by Layne Bumgardner, Regional Director; Michael McGuire, Associate Regional Director; and Charles Conant, Problem Case Officer, Region I (Albany), all present telephonically; and John Ianno, Trial Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board (NCUAB); FROM: Region I Director; DATE: April 16, 1991; SUBJ: Issuance of Notice of Charges to Melrose Credit Union #62005 leading to a possible Notice of Termination of Insurance. The presentation and discussion is on pages 3 through 22 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
April 16, 1991
Closed

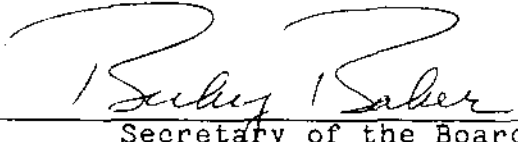
3. Regional Staffing Allocations.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously approved: (1) transferring the responsibility for conducting the agency's examination and supervision program for the state of New Jersey from Region I (Albany) to Region II (Capital) to be effective October 1, 1991; (2) authorized an additional 56 examiner positions, including supervisory examiner positions as determined by each region, allocated to the regions as prescribed in the Committee's recommendation on page 4 of the Board Action Memorandum; (3) authorized one additional field staff position in each region beyond the staffing allocation indicated by the formulas; and (4) directed that the yearly staffing allocation study continue to be the responsibility of the Executive Director.

Background and Discussion. This item was presented to the Board by Donald E. Johnson, Executive Director, Gerard McClernon, Deputy Executive Director, and Timothy Hornbrook, Office of Examination and Insurance. The item, as presented to and approved by the Board, is included as attachment No. 3 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: EXECUTIVE DIRECTOR; DATE: APRIL 1, 1991; SUBJ: REGIONAL STAFFING FISCAL YEAR 1992. The presentation and discussion is on pages 22 through 60 of the verbatim transcript.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 11:43 a.m.

Approved by the Board on May 14, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
May 14, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 11:00 a.m. Board Member Robert H. Swan was present. There is a vacancy on the NCUA Board. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Approval of Minutes of Previous Closed Board Meeting.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the minutes of its April 16, 1991, closed Board meeting, included as attachment No. 1.

2. Administrative Actions under Section 206 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved issuing the Notice of Charges and Hearing and Notice of Intention to Remove and Prohibit attached to the Board Action Memorandum to Irene H. Kurpiewski, manager/treasurer of Hamtramck Community Federal Credit Union.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved issuing the Notice of Assessment and Opportunity for Hearing attached to the Board Action Memorandum to the members of the Board of Directors of Hamtramck Community Federal Credit Union, except Irene Kurpiewski.

Background and Discussion. This item was presented to the Board by Nicholas Veghts, Regional Director and Jane Walters, Associate Regional Director, Region IV (Chicago), both present telephonically; and Sherri White, Trial Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Region IV Director (Chicago); DATE: April 30, 1991; SUBJ: Notice of Intent to Remove and Prohibit and Notice of Assessment of Civil Money Penalties Against the Hamtramck Community Federal Credit Union, Hamtramck, MI. Charter Number 04355. The presentation and discussion is on pages 3 through 20 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
May 14, 1991
Closed

3. Reconsideration of Denial of Insurance Coverage.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously reaffirmed its March 23, 1989, decision and denied Wabank and Company's claim for insurance in excess of \$100 thousand as a holder of a nominee account in Franklin Community Credit Union.

Background and Discussion. This item was presented to the Board by James Engel, Deputy General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 3 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Office of General Counsel; DATE: May 8, 1991; SUBJ: Request for Reconsideration of Board's Previous Denial of Insurance. The presentation and discussion is on pages 20 through 50 of the verbatim transcript.

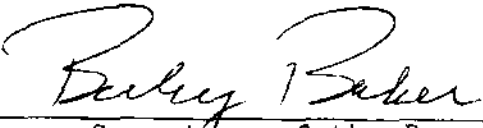
Upon completion of this item, the Board took a brief recess. Chairman Jepsen reconvened the closed Board meeting at 12:00 p.m.

4. Appeal of Denial of Insurance.

The Chairman advised that consideration of this item at this time would be premature. The Board unanimously approved deleting this item from the agenda.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 12:02 p.m.

Approved by the Board on June 11, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
May 14, 1991
Emergency Closed

Chairman Jepsen stated that the NCUA Board had been asked to convene a closed Board meeting to consider clarification of an administrative notice acted on earlier today, May 14, 1991, in connection with the Hamtramck Federal Credit Union.

Before calling the meeting officially to order, Chairman Jepsen asked if the General Counsel certified that this matter could be considered in closed session. General Counsel Robert Fenner replied "yes."

Chairman Jepsen then called the Board officially to order at 2:25 p.m.

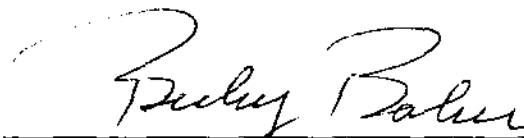
Mr. Allan Meltzer, Associate General Counsel, stated that the order presented to the Board this morning indicated that civil money penalties would be assessed jointly and severally and that would mean a total penalty of \$205 thousand. He stated that it was clear to staff after leaving the meeting, based on the presentation made and the Board's discussion, that the Board's action was intended to be an assessment of \$205 thousand against each member of the Board of Directors of Hamtramck and not \$205 thousand total. He stated that the Notice presented this morning did not reflect that, and staff is asking the Board to amend the Order as indicated in the attachments. The Order would now read: "the NCUA Board hereby assesses a first tier civil money penalty of \$205 thousand against each of the following members of the Board of Directors of Hamtramck."

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously amended the Notice of Assessment and Opportunity for a Hearing as set forth in attachment 1.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 2:38 p.m.

Approved by the Board on

June 11, 1991


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
June 11, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 9:30 a.m. Board Member Robert H. Swan was present. There is a vacancy on the NCUA Board. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

The items were not considered in the exact order listed on the agenda. For logistical reasons the first item for the Board's consideration was item No. 3.

3. Administrative Actions under Section 201 of the Federal Credit Union Act.

a. Clarke Community Federal Credit Union.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously upheld the decision of the Regional Director, Region III (Atlanta), and denied the credit union's appeal.

Background and Discussion. This item was presented to the Board by Margaret Suuberg, Staff Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 3A and identified as Board Action Memorandum; TO: NCUA Board; FROM: General Counsel; DATE: June 3, 1991; SUBJ: Final Determination in the Matter of Clarke Community Federal Credit Union - Appeal of Denial of Request to Retain Federal Share Insurance On Conversion of Charter. The presentation and discussion is on pages 3 through 16 of the verbatim transcript.

b. Proposed Business Assistance Center Community Credit Union.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously upheld the Regional Director's decision and denied the proposed credit union's appeal.

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National Credit Union Administration
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Closed

Background and Discussion. This item was presented to the Board by Michael McKenna, Staff Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 3B and identified as Board Action Memorandum; TO: NCUA Board; FROM: General Counsel; DATE: May 30, 1991; SUBJ: Final Determination in the Matter of Proposed Business Assistance Center Community Credit Union - Appeal of Denial of Federal Share Insurance. The presentation and discussion is on pages 16 through 22 of the verbatim transcript.

The Board then took a brief recess at 10:06 a.m. The Chairman reconvened the closed meeting at 10:15 a.m.

1. Approval of Minutes of Previous Closed Meetings.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the minutes of its May 14, 1991 closed meeting, included as attachment No. 1A, and its May 14, 1991 emergency closed meeting, included as attachment No. 1B.

2. Administrative Action under Section 206 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved sending the State of Alabama the response attached to the Board Action Memorandum; placed America's First Credit Union into conservatorship, issued the Order of Conservatorship attached to the Board Action Memorandum; appointed the Regional Director, Region III (Atlanta), as agent for the conservator; and contracted with ALMC, Asset Liquidation Management Center, to work out commercial loan problems.

Background and Discussion. This item was presented to the Board by H. Allen Carver, Regional Director, and Timothy McCollum, Deputy Regional Director, Region III (Atlanta), both present telephonically; D. Michael Riley, Director, Office of Examination and Insurance; and John Ianno, Trial Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is

Minutes of Board Meeting
National Credit Union Administration
June 11, 1991
Closed

included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: H. Allen Carver, Director, Region III; DATE: June 7, 1991; SUBJECT: America's First Credit Union, Insurance Cert. No. 60486, Location - Birmingham, AL. The presentation and discussion is on pages 24 through 41 of the verbatim transcript.

4. NCUA Delegations of Authority.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously approved: (1) the document "Proposed Changes to the Delegations of Authority" that is attached to the Board Action Memorandum. (2) Named Robert LaPorte as the Chairman of the Community Development Revolving Loan Program. (3) Ratified all previous decisions made by Mr. LaPorte concerning the Community Development Revolving Loan Program.

Background and Discussion. This item was presented to the Board by James Engel, Deputy General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 4 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Donald E. Johnson, Executive Director; DATE: June 11, 1991; SUBJ: Delegations of Authority. The presentation and discussion is on pages 41 through 49 of the verbatim transcript.

5. Midsession Budget Review.

Board Member Swan moved, Chairman Jepsen seconded, and the Board approved the revisions of the fiscal year 1991 budget as set forth in the Board Action Memorandum and reflected in the attached schedules.

Background and Discussion. This item was presented to the Board by Donald E. Johnson, Executive Director; Herbert Yolles, Controller; and William Poling, Budget Officer. The item, as presented to and approved by the Board, is included as attachment No. 5 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Controller; DATE: May 28, 1991; SUBJ: FY 1991 Mid-session Budget Review. The presentation and discussion is on pages 50 through 73 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
June 11, 1991
Closed

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 12:00 p.m.

Approved by the Board on July 30, 1991.

Becky Baker
Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
July 30, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 9:50 a.m. Board Member Robert H. Swan was present. There is a vacancy on the NCUA Board. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Approval of Minutes of Previous Closed Meeting.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the minutes of its June 11, 1991, closed meeting, included as attachment No. 1.

2. Administrative Action under Section 208 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously delegated to the Regional Director, Region I (Albany), with the concurrence of the Director, Office of Examination and Insurance, the authority to approve an assisted purchase and assumption of Blue Hill Federal Credit Union by Grove Bank, Brookline, Massachusetts, under Section 208 of the Federal Credit Union Act as set forth in the recommendation section of the Regional Summary Attachment to the Board Action Memorandum; and delegated to the Regional Director, Region I (Albany), with the concurrence of the Director, Office of Examination and Insurance, the authority to provide an NCUSIF loan guarantee with Grove Bank under Section 208 of the Federal Credit Union Act, as set forth in the recommendation section of the Regional Summary Attachment to the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Layne Bumgardner, Regional Director, and Michael K. Wheeler, Director, Special Actions, Region I (Albany); and D. Michael Riley, Director, Office of Examination and Insurance. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; FROM: Regional Director, I (Albany); TO: NCUA Board; DATE: July 11, 1991; SUBJ: Purchase and Assumption of Blue Hill Federal Credit Union, Brookline, MA 02146, Charter No. 24245. The presentation and discussion is on pages 2 through 30 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
July 30, 1991
Closed

3. Administrative Action under Sections 208 and 307 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved: (1) an increase to the prior undivided earnings deficit - NCUSIF guarantee account by not more than \$24 million, bringing the total authorization to not more than \$84 million under Section 208 of the Federal Credit Union Act; and (2) an increase to the NCUSIF guarantee for a CLF line of credit by not more than \$140 million, bringing the total authorization to not more than \$215 million, or the replacement of an NCUSIF guarantee by use of an NCUSIF capital note, under Section 307 of the Federal Credit Union Act.

Background and Discussion. This item was presented to the Board by Layne Bumgardner, Regional Director, and Michael K. Wheeler, Director, Special Actions, Region I (Albany); and D. Michael Riley, Director, Office of Examination and Insurance. The item, as presented to and approved by the Board, is included as attachment No. 3 and identified as BOARD ACTION MEMORANDUM; FROM: Regional Director, I (Albany); TO: NCUA Board; DATE: July 11, 1991; SUBJ: Conservatorship of Progressive Consumers Federal Credit Union, Malden, MA 02148, Charter No. 24213. The presentation and discussion is on pages 31 through 62 of the verbatim transcript.

4. Administrative Action under Sections 206, 208, and 307 of the Federal Credit Union Act.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously: (1) placed Kasa Lithuanian Federal Credit Union into conservatorship; issued the Order of Conservatorship that is attached to the Board Action Memorandum; and appointed the Regional Director, Region I (Albany) as agent for the conservator. (2) the establishment of a prior undivided earnings deficit - NCUSIF guarantee account of not more than \$5 million to allow for payment of dividends during the conservatorship, under Section 208 of the Federal Credit Union Act. (3) an NCUSIF guarantee for a CLF line of credit, or the replacement of an NCUSIF guarantee by use of an NCUSIF capital note of not more than \$25 million, under Section 307 of the Federal Credit Union Act.

Minutes of Board Meeting
National Credit Union Administration
July 30, 1991
Closed

Background and Discussion. This item was presented to the Board by Layne Bumgardner, Regional Director, and Michael K. Wheeler, Director, Special Actions, Region I (Albany); and D. Michael Riley, Director, Office of Examination and Insurance. The item, as presented to and approved by the Board, is included as attachment No. 4 and identified as BOARD ACTION MEMORANDUM; FROM: Regional Director, Region I (Albany); TO: NCUA Board; DATE: July 22, 1991; SUBJ: Conservatorship of KASA-Lithuanian Federal Credit Union, Charter No. 23595, in Richmond Hill, NY. The presentation and discussion is on pages 62 through 79 of the verbatim transcript.

5. Administrative Actions under Section 206 of the Federal Credit Union Act.

a. Prohibition and Cease & Desist Action: Henry A. Ayotte.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously issued to Henry A. Ayotte the Notice of Intent to Prohibit; the Notice of Charges Preliminary to a Cease and Desist Order; and the Notice of Hearing that is attached to the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Timothy P. McCollum, Deputy Regional Director, and H. Allen Carver, Regional Director, Region III (Atlanta), both who were present telephonically; and John K. Ianno, Trial Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 5A and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: H. Allen Carver, Region III Director; DATE: July 15, 1991; SUBJ: Prohibition and Cease & Desist Action against Henry A. Ayotte, former auditor of Palmetto Federal Credit Union, Charter #21934, Hialeah, Florida. The presentation and discussion is on pages 79 through 93 of the verbatim transcript.

b. Prohibition Order: Ronald Peterman.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously issued to Ronald C. Peterman the Order of Prohibition that is attached to the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by James Engel, Deputy General Counsel; and Bernie Haney, Examiner, Region II (Capital), who was present telephonically.

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National Credit Union Administration
July 30, 1991
Closed

The item, as presented to and approved by the Board, is included as attachment No. 5B and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: General Counsel; DATE: July 15, 1991; SUBJ: Final Prohibition Order - Ronald Peterman. The presentation and discussion is on pages 93 through 97 of the verbatim transcript.

6. Application for Federal Insurance.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously: waived the selected provisions of the NCUA Rules and Regulations as identified in and subject to the terms of the U.S. Central Credit Union operating agreement that is attached to the Board Action; delegated to the Region V Regional Director the authority to approve U.S. Central Credit Union's application for federal insurance subject to the operating agreement; and delegated to the Region V Regional Director the authority to approve, with the concurrence of the Director, Office of Examination and Insurance, and the General Counsel, any changes in U.S. Central Credit Union's activities or practices, including future investments; any modifications to the operating agreement; and the renewal, amendment, or termination of the operating agreement at its expiration date.

Background and Discussion. This item was presented to the Board by Joy Lee, Senior Review Analyst, and Stephanie Jones, Insurance Analyst, Region V (Austin), both who were present telephonically; D. Michael Riley, Director, Office of Examination & Insurance, and James Engel, Deputy General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 6 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: John S. Ruffin, Regional Director; DATE: July 11, 1991; SUBJ: Application for Federal Insurance -- Waiver of Selected Portions of Parts 704 and 741 of the NCUA Rules and Regulations. The presentation and discussion is on pages 97 through 107 of the verbatim transcript.

7. Appeal of Denial of Insurance

The Board voted unanimously to delete this item from the agenda. (See page 108 of the verbatim transcript.) Chairman Jepsen advised that consideration by the Board would be premature at this time.

Minutes of Board Meeting
National Credit Union Administration
July 30, 1991
Closed

8. NCUA's Budget FY 92 and FY 93.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously approved the revised Fiscal Year 1992 budget of \$87,334,857 and estimated fiscal year 1993 budget of \$93,118,118 as set forth in Attachment 4 of the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Donald E. Johnson, Executive Director; Herbert S. Yolles, Controller, and William Poling, Budget Officer. The item, as presented to and approved by the Board, is included as attachment No. 7 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Controller; DATE: July 17, 1991; SUBJ: Fiscal Year 1992 and 1993 Budget. The presentation and discussion is on pages 108 through 137 of the verbatim transcript.

Chairman Jepsen advised that the Board has been asked to consider an item with less than the usual seven days notice and to close consideration of it to public observation.

The Board voted unanimously that agency business requires that this item be considered with less than the usual seven days notice and that it be closed to the public.

The Board then added the following item to the agenda.

9. NCUA Delegations of Authority.

a. GEN 4.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved delegation GEN 4.

b. Temporary Delegation.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the temporary delegation granting regional directors the authority to issue an order of conservatorship, both as set forth in the Board Action Memorandum and as explained by James Engel, provided, however, that the delegation shall be effective for the period from July 31, 1991, through September 5, 1991.

Minutes of Board Meeting
National Credit Union Administration
July 30, 1991
Closed

Background and Discussion. These two delegations were presented to the Board by James Engel, Deputy General Counsel. This item, as presented to and approved by the Board, is included as attachment No. 8A and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Office of General Counsel; DATE: July 29, 1991; SUBJ: Delegations. The presentation and discussion is on pages 137 through 147 of the verbatim transcript.

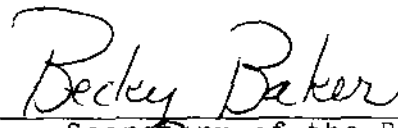
c. Acquisition of Office Space, Austin, Texas.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously approved the delegation of authority concerning acquisition of office space in Austin, Texas, as presented by Ben Henson.

Background and Discussion. This item was presented to the Board by Benny Henson, Director, Office of Administration. The item, as presented to and approved by the Board, is included as attachment No. 8B and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Director, Office of Administration; DATE: July 30, 1991; SUBJ: Delegation of Authority. The presentation and discussion is on pages 147 through 156 of the verbatim transcript.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 2:35 p.m.

Approved by the Board on September 10, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
August 19, 1991
Emergency Closed

The National Credit Union Administration (NCUA) Board came together in the Filene Board Room, 7th Floor, at 1:10 p.m. to determine whether or not to hold a closed meeting with less than the usual seven days advance notice. Chairman Roger W. Jepsen and Board Member Robert H. Swan were both present telephonically. There is a vacancy on the NCUA Board. Staff present during the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

Deputy General Counsel James Engel certified that the items may be closed pursuant to exemptions (8), (9)(A)(ii), and (9)(B) of the Sunshine Act and the nature of the action warranted holding the meeting with less than the usual seven days advance notice as required by the Sunshine Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board voted unanimously that agency business requires that this meeting be held with less than the usual seven days notice to consider the conservatorship of Hamtramck Community Federal Credit Union and the conservatorship of College Heights Credit Union and that it be closed to the public.

The Board then considered the following items and took action on each as indicated.

1. Administrative Action under Sections 206 and 307 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously placed Hamtramck Community Federal Credit Union, Hamtramck, Michigan, into conservatorship and issued the Order of Conservatorship that is attached to the Board Action Memorandum under Section 206(h)(1) of the Federal Credit Union Act; appointed the Regional Director, Region IV (Chicago), as agent for the conservator; and approved an NCUSIF guarantee for a Central Liquidity Facility line of credit in the amount of \$2 million to provide sufficient liquidity during the conservatorship under Section 307(a)(18) of the Federal Credit Union Act.

Background and Discussion. This item was presented to the Board by Nicholas Veghts, Regional Director, and Jane Walters, Associate Regional Director, Region IV (Chicago), both who were present telephonically; Sherri White, Trial Attorney; and David Marquis, Deputy Director, and Gary Vopat, Director, Department of Risk Management, Office of Examination & Insurance. The item, as

Minutes of Board Meeting
National Credit Union Administration
August 19, 1991
Emergency Closed

presented to and approved by the Board, is included as attachment No. 1 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Regional Director, Region IV (Chicago); DATE: August 15, 1991; SUBJ: Conservatorship of Hamtramck Community Federal Credit Union, Hamtramck, MI - Charter Number 04355. The presentation and discussion is on pages 5 through 19 of the verbatim transcript.


2. Administrative Action under Section 206 of the Federal Credit Union Act.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously placed College Heights Credit Union into conservatorship, issued the Order of Conservatorship that is attached to the Board Action Memorandum with the technical changes as advised by legal counsel, and appointed the Regional Director, Region III (Atlanta), as agent for the conservator.

Background and Discussion. This item was presented to the Board by Timothy McCollum, Deputy Regional Director, Region III (Atlanta), who was present telephonically; David Marquis, Deputy Director, and Gary Vopat, Director, Department of Risk Management, Office of Examination & Insurance; and Jon Canerday, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: H. Allen Carver, Director, Region III; DATE: August 16, 1991; SUBJECT: College Heights Credit Union, Insurance Cert. No. 64075. The presentation and discussion is on pages 19 through 25 of the verbatim transcript.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 1:40 p.m.

Approved by the Board on September 10, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
August 29, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 9:35 a.m. Board Member Robert H. Swan was present. There is a vacancy on the NCUA Board. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following item. The verbatim transcript of the closed Board meeting is attached to this summary.

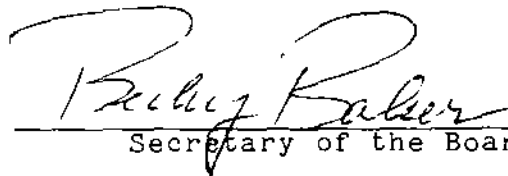
1. Agency Office Space.

The Board took no action on this item, but based on the discussion instructed Mr. Henson to do further work on the options.

Background and Discussion. This item was presented to the Board by Donald E. Johnson, Executive Director, and Benny Henson, Director, Office of Administration. The item, as presented to the Board, is included as attachment No. 1 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Director, Office of Administration; DATE: August 29, 1991; SUBJ: Office Space Evaluation. The presentation and discussion is on pages 2 through 100 of the verbatim transcript.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 2:30 p.m.

Approved by the Board on October 15, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
September 10, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 1:25 p.m. Board Member Robert H. Swan was present. There is a vacancy on the NCUA Board. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Approval of Minutes of Previous Closed Meetings.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the minutes of its July 30, 1991, closed Board meeting, included as attachment No. 1A, and its August 19, 1991, emergency closed Board meeting, included as attachment No. 1B.

2. Central Liquidity Facility Line of Credit for FY 1992.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved a \$7 million line of credit to the Georgia Credit Union Deposit Insurance Corporation for the period October 1, 1991, through December 31, 1991, on the terms set forth in the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Robert LaPorte, President, Central Liquidity Facility. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: President, CLF; DATE: August 28, 1991; SUBJ: Request for approval of Line of Credit from the CLF to the Georgia Credit Union Deposit Insurance Corporation. The presentation and discussion is on pages 3 through 7 of the verbatim transcript.

3. Administrative Action under Section 206 of the Federal Credit Union Act.

The Board voted unanimously to withdraw this item from the agenda. (See page 7 of the verbatim transcript.) Chairman Jepsen advised that consideration by the Board would be premature at this time.

Minutes of Board Meeting
National Credit Union Administration
September 10, 1991
Closed

4. Administrative Actions under Section 208 of the Federal Credit Union Act.

a. Western Horizons Federal Credit Union.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously deferred action on the Region's requested P&A of Western Horizon Federal Credit Union, and delegated to the RD the authority to approve the payment of a September 30, 1991, and a December 31, 1991, dividend, notwithstanding the existing deficit and the undivided earnings.

Background and Discussion. This item was presented to the Board by James E. Carlin, Director, Special Actions, Region V (Austin); and D. Michael Riley, Director, Office of Examination & Insurance. The item, as presented to the Board, is included as attachment No. 3A and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: John S. Ruffin, Region V Director; DATE: August 26, 1991; SUBJ: Assisted Purchase and Assumption of Western Horizons Federal Credit Union, #07211, into Arizona Federal Credit Union, #01747, Phoenix, Arizona. The presentation and discussion is on pages 7 through 51 of the verbatim transcript.

b. (b)(8) Federal Credit Union.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously approved continuing (b)(8) Federal Credit Union's \$(b)(8) capital note under the current terms at zero interest with an unspecified maturity and an unspecified principal payback; and increased the credit union's authorized deficit and undivided earnings of \$(b)(8) for a total authorized deficit of \$(b)(8).

Background and Discussion. This item was presented to the Board by H. Allen Carver, Regional Director; Chuck Harrington, Commercial Loan Specialist; and Judy Kramer, Problem Case Officer, Region III (Atlanta). The item, as presented to and approved by the Board, is included as attachment No. 3B and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: H. Allen Carver, Director, Region III; DATE: August 29, 1991; SUBJ: (b)(8) FCU, Charter # (b)(8). The presentation and discussion is on pages 51 through 75 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
September 10, 1991
Closed

5. Appeal by FCU of Regional Director's Decision.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously denied the appeal and upheld the Region IV Director's decision to disapprove (b)(6);(b)(7)(C) from serving as director of Seventeen Fourteen Federal Credit Union.

Background and Discussion. This item was presented to the Board by Michael J. McKenna, Staff Attorney. The item, as presented to and approved by the Board, is included as attachment No. 4 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: General Counsel; DATE: August 28, 1991; SUBJ: Appeal by (b)(6);(b)(7)(C) and the Seventeen Fourteen Federal Credit Union Pursuant to Section 701.14 and Part 747, Subpart L of NCUA Regulations. The presentation and discussion is on pages 76 through 83 of the verbatim transcript.

6. Personnel Policy.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the revised agency relocation policy as set forth in the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Donald E. Johnson, Executive Director, and Gerard McClernon, Deputy Executive Director. The item, as presented to and approved by the Board, is included as attachment No. 5 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: EXECUTIVE DIRECTOR; DATE: SEPTEMBER 10, 1991; SUBJ: REVISED AGENCY RELOCATION POLICY. The presentation and discussion is on pages 83 through 94 of the verbatim transcript.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 3:30 p.m.

Approved by the Board on

October 15, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
October 15, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 9:42 a.m. Board Member Robert H. Swan was present. There is a vacancy on the NCUA Board. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Approval of Minutes of Previous Closed Meetings.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved the minutes of its August 29, 1991, closed Board meeting, included as attachment No. 1A, and its September 10, 1991, closed Board meeting, included as attachment No. 1B.

2. Administrative Action under Sections 206, 208, and 307 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen second, and the Board unanimously: placed Myles Standish Federal Credit Union into conservatorship; issued the Order of Conservatorship and Confidential Statement of Grounds for Conservatorship both as attached to the Board Action Memorandum; appointed the Regional Director, Region I (Albany) as agent for the conservator; and further approved an NCUSIF guarantee for a CLF line of credit of not more than \$20 million; approved the establishment of a prior undivided earnings deficit - NCUSIF guarantee account not to exceed \$10 million; and delegated to the Region I (Albany) Regional Director the authority to issue a Notice of Intent to Remove or Prohibit, all as set forth in the "Action Requested" section of the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Layne Bumgardner, Regional Director; Michael Villemure, Acting Director, Special Actions; and David Nace, Examiner, Region I (Albany); D. Michael Riley, Director, Office of Examination and Insurance; and Steven Widerman, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Region I Director; DATE:

Minutes of Board Meeting
National Credit Union Administration
October 15, 1991
Closed

September 27, 1991; SUBJ: Conservatorship of Myles Standish Federal Credit Union, Marshfield, MA 02050, Charter No. 23918. The presentation and discussion is on pages 2 through 56 of the verbatim transcript.

3. Administrative Actions under Section 206 of the Federal Credit Union Act.

d. Prohibition: Henry A. Ayotte.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously approved the Stipulation and Consent to Issuance of Order of Prohibition and issued the Order of Prohibition against Henry A. Ayotte, both as attached to the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by John Ianno, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 3A and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM Office of General Counsel; DATE: October 4, 1991; SUBJ: Consent Prohibition of Henry A. Ayotte, former auditor of Palmetto Federal Credit Union, Charter #21934, Hialeah, Florida. The presentation and discussion is on pages 56 through 59 of the verbatim transcript.

a. Prohibition: Blair F. Hadley.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously issued the Order of Prohibition that is attached to the Board Action Memorandum to Blair F. Hadley.

Background and Discussion. This item was presented to the Board by Jon Canerday, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 3B and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM Office of General Counsel; DATE: September 26, 1991; SUBJ: Prohibition of Mr. Blair F. Hadley. The presentation and discussion is on pages 59 through 69 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
October 15, 1991
Closed

b. Prohibition: Charles Bradford.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously issued the Order of Prohibition that is attached to the Board Action Memorandum to Charles W. Bradford.

Background and Discussion. This item was presented to the Board by Jon Canerday, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 3C and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Office of General Counsel; DATE: September 29, 1991; SUBJ: Prohibition of Mr. Charles Bradford. The presentation and discussion is on pages 69 through 72 of the verbatim transcript.

c. Prohibition: Karen L. F. Silvia.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously issued the Order of Prohibition that is attached to the Board Action Memorandum to Karen L. F. Silvia.

Background and Discussion. This item was presented to the Board by Jon Canerday, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 3D and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Office of General Counsel; DATE: September 22, 1991; SUBJ: Prohibition of Ms. Karen L. F. Silvia. The presentation and discussion is on pages 72 through 75 of the verbatim transcript.

4. Administrative Action under Section 206 of the Federal Credit Union Act.

Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved and issued to John R. Doolittle the Final Decision and Order that is attached to the Board Action Memorandum, prohibiting John R. Doolittle from participating in the affairs of any institution or agency as specified in Section 206(g)(7)(A) of the Federal Credit Union Act, and ordering him to pay restitution.

Background and Discussion. This item was presented to the Board by Margaret Suuberg, Staff Attorney. The item, as presented to and approved by the Board, is included as attachment No. 4 and identified as Board Action Memorandum; TO: NCUA Board; FROM:

Minutes of Board Meeting
National Credit Union Administration
October 15, 1991
Closed

General Counsel; DATE: September 27, 1991; SUBJ: Final Decision and Order in the Matter of NCUA v. John R. Doolittle. The presentation and discussion is on pages 75 through 86 of the verbatim transcript.

5. Administrative Action under Section 201 of the Federal Credit Union Act.

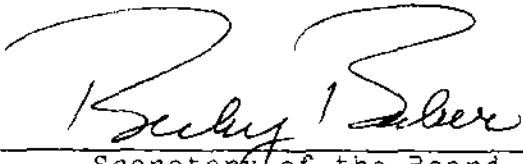
Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously upheld the Regional Director's denial of the proposed Nebraska Veterans Committee Credit Union's application for federal share insurance, and denied the credit union's appeal.

Background and Discussion. This item was presented to the Board by Margaret Suuberg, Staff Attorney. The item, as presented to and approved by the Board, is included as attachment No. 5 and identified as Board Action Memorandum; TO: NCUA Board; FROM: General Counsel; DATE: September 27, 1991; SUBJ: Final Determination in the Matter of Proposed Nebraska Veterans Committee Credit Union - Appeal of Denial of Federal Share Insurance. The presentation and discussion is on pages 86 through 93 of the verbatim transcript.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 11:25 a.m.

Approved by the Board on

November 13, 1991


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
November 5, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 9:40 a.m. Vice Chairman Shirlee P. Bowne' and Board Member Robert H. Swan were present. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Agency Office Space.

Vice Chairman Bowne' moved, Chairman Jepsen seconded, and the Board by a vote of two-to-one, Board Member Swan voting against, approved Option 1, the King Street Building, as set forth in the Board Action Memorandum, as office space for the Washington Office; and delegated to the Director, Office of Administration, the authority to finalize negotiations regarding terms, conditions, and pricing with the developer of the recommended site and to bring a final proposal to the Board at the November 13, 1991, open Board meeting.

Background and Discussion. This item was presented to the Board by Benny Henson, Director, Office of Administration. The item, as presented to and approved by the Board, is included as attachment No. 1 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Director, Office of Administration; DATE: November 5, 1991; SUBJ: Office Space Evaluation. The presentation and discussion is on pages 2 through 63 of the verbatim transcript.

Chairman Jepsen stated that the Board has been asked to consider an item with less than the usual seven days advance notice and to close consideration of it to public observation.

General Counsel Fenner certified that the following item may be considered at this closed meeting pursuant to exemptions (8), (9)(A)(ii), and (9)(B) of the Government in Sunshine Act.

Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board voted unanimously that agency business requires that this item be considered with less than the usual seven days advance notice, that it be closed to the public, and that no earlier announcement of this was possible.

Minutes of Board Meeting
National Credit Union Administration
November 5, 1991
Closed

2. Administrative Action under Section 206 of the Federal Credit Union Act.

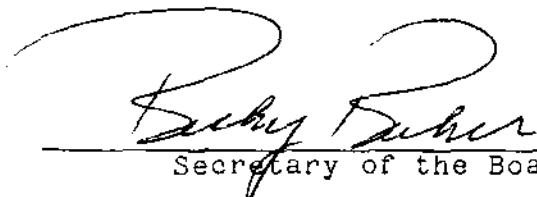
Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board unanimously issued the Final Cease and Desist Order that is attached to the Board Action Memorandum against Aho and Henshue.

Background and Discussion. This item was presented to the Board by Allan Meltzer, Associate General Counsel and Richard Schulman, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Office of General Counsel; DATE: November 5, 1991; SUBJ: Cease & Desist Order. The presentation and discussion is on pages 63 through 73 of the verbatim transcript.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 11:38 a.m.

Approved by the Board on

December 16, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
November 13, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 1:40 p.m. Vice Chairman Bowne' and Board Member Swan were present. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. Some of these items were not considered in the exact order listed on the agenda. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Approval of Minutes of Previous Closed Meeting.

Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board unanimously approved the minutes of its October 15, 1991, closed Board meeting, included as attachment No. 1.

2. Administrative Action under Sections 116 and 208 of the Federal Credit Union Act.

Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board unanimously approved a (b)(8) of (b)(8) and waived the (b)(8) for a period of (b)(8) for (b)(8) Credit Union.

Background and Discussion. This item was presented to the Board by Layne Bumgardner, Regional Director, Region I (Albany); and D. Michael Riley, Director, Office of Examination & Insurance. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Regional Director; DATE: October 29, 1991; SUBJ: Authority to Approve a (b)(8) and Waive the (b)(8) for (b)(8) Credit Union (b)(8). The presentation and discussion is on pages 3 through 9 of the verbatim transcript.

3. Administrative Actions under Section 206 of the FCU Act.

a. Melrose Credit Union.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously extended the period for corrective action noted in the May 6, 1991, Notice of Charges through December 31, 1991.

Minutes of Board Meeting
National Credit Union Administration
November 13, 1991
Closed

Background and Discussion. This item was presented to the Board by Layne Bumgardner, Regional Director, Region I (Albany); D. Michael Riley, Director, Office of Examination & Insurance; and James Engel, Deputy General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 3A and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Regional Director; DATE: November 7, 1991; SUBJ: Melrose Credit Union, #62005. The presentation and discussion is on pages 9 through 21 of the verbatim transcript.

c. Prohibition - Thomas Langer.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously issued the Order of Prohibition that is attached to the Board Action Memorandum to Thomas Langer.

Background and Discussion. This item was presented to the Board by Mary Rupp, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 3B and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Office of General Counsel; DATE: October 25, 1991; SUBJ: Prohibition of Thomas Langer. The presentation and discussion is on pages 21 through 25 of the verbatim transcript.

d. Prohibition - Lane C. Olson.

Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board unanimously issued the Order of Prohibition that is attached to the Board Action Memorandum to Lane C. Olson.

Background and Discussion. This item was presented to the Board by Mary Rupp, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 3C and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Office of General Counsel; DATE: October 25, 1991; SUBJ: Prohibition of Lane C. Olson. The presentation and discussion is on pages 21 through 26 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
November 13, 1991
Closed

4. Administrative Action under Sections 206 and 208 of the FCU Act.

Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board unanimously placed Potomac Community Federal Credit Union into conservatorship; issued the Order of Conservatorship and Confidential Statement of Grounds for Conservatorship that are attached to the Board Action Memorandum; and approved 208 assistance as set forth in the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Daniel L. Murphy, Regional Director; Edward P. Dupcak, Associate Regional Director; and Peter F. Majka, Director, Special Actions, Region II (Capital); and David Marquis, Deputy Director, Office of Examination & Insurance. The item, as presented to and approved by the Board, is included as attachment No. 4 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Regional Director, Region II; SUBJECT: Conservatorship of Potomac Community Federal Credit Union, Charter #21395, Potomac, Maryland. The presentation and discussion is on pages 31 through 48 of the verbatim transcript.

3. Administrative Actions under Section 206 of the FCU Act.

b. Prohibition - Michael J. Carey.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously issued the Order of Prohibition that is attached to the Board Action Memorandum to Michael J. Carey.

Background and Discussion. This item was presented to the Board by Mary Rupp, Trial Attorney. The item, as presented to and approved by the Board, is included as attachment No. 5 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Office of General Counsel; DATE: October 24, 1991; SUBJ: Consent to Prohibition. The presentation and discussion is on pages 48 through 51 of the verbatim transcript.

5. Administrative Action under Section 207 of the FCU Act.

Vice Chairman Bowne' moved, Chairman Jepsen seconded, and the Board unanimously upheld the liquidating agent's determination, with the revision described on page 2 of the Board Action Memorandum, and denied the claimant's appeal.

Minutes of Board Meeting
National Credit Union Administration
November 13, 1991
Closed

Background and Discussion. This item was presented to the Board by Margaret R. Suuberg, Staff Attorney. The item, as presented to and approved by the Board, is included as attachment No. 6 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: General Counsel; DATE: October 29, 1991; SUBJ: Final Determination in the Matter of Southwestern Growth Enterprises Defined Pension Benefit Trust - Insurance Appeal. The presentation and discussion is on pages 51 through 60 of the verbatim transcript.

6. Personnel Policies.

a. SSP Salary Structure and SSP Salaries.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously approved the salary structure and salaries as recommended by the Executive Resources Board and as set forth in the Board Action Memorandum.

Background and Discussion. This item was presented to the Board by Donald E. Johnson, Executive Director and Dorothy Foster, Director, Office of Human Resources. The item, as presented to and approved by the Board, is included as attachment No. 7A and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Chairman, Executive Resources Board; DATE: October 29, 1991; SUBJ: FY92 Salary Structure and Salaries for SSP Employees. The presentation and discussion is on pages 60 through 122 of the verbatim transcript.

c. Bonuses - Senior Staff Positions.

Chairman Jepsen moved, Vice Chairman Bowne' seconded, and the Board unanimously approved the proposed bonuses for senior staff positions as set forth on pages 3 and 4 of the Board Action Memorandum with the following changes: The fifth column on both pages 3 and 4 is deleted. The third column on both pages 3 and 4 is deleted. The column headed "maximum bonus" on both pages 3 and 4 is retitled "Recommended Bonus." The entire line on page 3 concerning (b)(6), is deleted. The recommended bonus for (b)(6) is changed to \$12,495 and the total on page 4 revised to reflect these changes is \$641,438.

Minutes of Board Meeting
National Credit Union Administration
November 13, 1991
Closed

Background and Discussion. This item was presented to the Board by Donald E. Johnson, Executive Director and Gerard P. McClernon, Deputy Executive Director. The item, as presented to by the Board, is included as attachment No. 7B and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: EXECUTIVE DIRECTOR; DATE: NOVEMBER 13, 1991; SUBJ: SSP BONUSES. The presentation and discussion is on pages 122 through 128 of the verbatim transcript.

b. Salary - Executive Director.

Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board unanimously approved the Executive Resources Board's recommendation and approved the salary of \$146,000 for the Executive Director, Donald E. Johnson.

Background and Discussion. This item was presented to the Board by Dorothy Foster, Director, Office of Human Resources. The item, as presented to and approved by the Board, is included as attachment No. 7C and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Dorothy W. Foster, Director, Office of Human Resources; DATE: October 29, 1991; SUBJ: Salary adjustment for the Executive Director, Donald E. Johnson. The presentation and discussion is on pages 128 through 130 of the verbatim transcript.

d. Bonus - (b)(6)

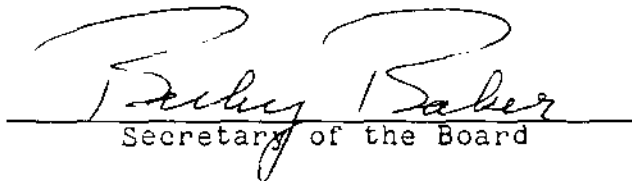
Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously approved a bonus of 20 percent of base salary for (b)(6)

Background and Discussion. This item was presented to the Board by Gerard P. McClernon, Deputy Executive Director. The presentation and discussion is on pages 131 and 132 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
November 13, 1991
Closed

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 4:32 p.m.

Approved by the Board on December 16, 1991.


Secretary of the Board

Minutes of Board Meeting
National Credit Union Administration
December 16, 1991
Closed

Chairman Roger W. Jepsen called the meeting to order at 11:40 a.m. Vice Chairman Shirlee P. Bowne' and Board Member Robert H. Swan were present. Those present during all or part of the meeting are listed on the Presiding Officer's Statement, which is included with these minutes.

The Board considered the following items and took action on each as indicated. The verbatim transcript of the closed Board meeting is attached to this summary.

1. Approval of Minutes of Previous Closed Meetings.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously approved the minutes of its November 1, 1991, emergency closed Board meeting, included as attachment No. 1A; its November 5, 1991, closed Board meeting, included as attachment No. 1B; and its November 13, 1991, closed Board meeting, included as attachment No. 1C.

2. Administrative Action under Sections 206 and 307 of the FCU Act.

Chairman Jepsen moved, Vice Chairman Bowne' seconded, and the Board unanimously approved placing Gold Coast Community Federal Credit Union into conservatorship; issued the Order of Conservatorship and Confidential Statement of Grounds for Conservatorship that are attached to the Board Action Memorandum; and authorized a \$200 thousand CLF line of credit guaranteed by the National Credit Union Share Insurance Fund.

Background and Discussion. This item was presented to the Board by H. Allen Carver, Regional Director; Timothy McCollum, Deputy Regional Director; and Gerald P. Bolduc, Supervisory Examiner, Region III (Atlanta); D. Michael Riley, Director, Office of Examination and Insurance; and Steve Wideman, Trial Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 2 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: H. Allen Carver, Director, Region III; DATE: November 27, 1991; SUBJ: Gold Coast Community Action FCU (#20424,) Location - Riviera Beach, FL. The presentation and discussion is on pages 3 through 11 of the verbatim transcript.

Minutes of Board Meeting
National Credit Union Administration
December 16, 1991
Closed

3. Administrative Actions under Sections 206, 208, and 307 of the FCU Act.

a. Auto Glass Employees Federal Credit Union.

Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board unanimously approved placing Auto Glass Employees Federal Credit Union into conservatorship, and issued the Order of Conservatorship and Confidential Statement of Grounds for Conservatorship that are attached to the Board Action Memorandum; and established a \$10 million line of credit guaranteed by the NCUSIF to meet possible liquidity needs, and established a \$1 million guaranteed undivided earnings deficit to ensure dividend payments as appropriate.

Background and Discussion. This item was presented to the Board by H. Allen Carver, Regional Director; Timothy McCollum, Deputy Regional Director; and Larry Maynard, Director, Special Actions, Region III (Alanta); D. Michael Riley, Director, Office of Examination & Insurance; and Jon Canerday, Trial Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 3A and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: H. Allen Carver, Director, Region III; DATE: November 27, 1991; SUBJECT: Auto Glass Employees Federal Credit Union, Charter No. 13087, Location - Nashville, TN. The presentation and discussion is on pages 11 through 26 of the verbatim transcript.

b. Freret Credit Union.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously approved placing Freret Credit Union into conservatorship and issued the Order of Conservatorship and Confidential Statement of Grounds for Conservatorship that are attached to the Board Action Memorandum; and authorized a \$500 thousand CLF line of Credit Guaranteed by NCUSIF and authorized a \$500 thousand guaranteed undivided earnings deficit to permit payment of a dividend as appropriate.

Background and Discussion. This item was presented to the Board by H. Allen Carver, Regional Director; Timothy McCollum, Deputy Regional Director; and Larry Maynard, Director, Special Actions, Region III (Atlanta); D. Michael Riley, Director, Office of Examination & Insurance; and Mary Rupp, Trial Attorney, Office of General Counsel. The item, as presented to and approved by the

Minutes of Board Meeting
National Credit Union Administration
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Board, is included as attachment No. 3B and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: H. Allen Carver, Director, Region III; DATE: November 27, 1991; SUBJECT: Freret Credit Union, Insurance Cert. No. 60250, Location - New Orleans, La. The presentation and discussion is on pages 26 through 34 of the verbatim transcript.

4. Administrative Action under Sections 207 and 208 of the Federal Credit Union Act.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously delegated to the Regional Director, Region V, the authority to approve, with the concurrence of the Director, Office of Examination and Insurance, an assisted purchase and assumption agreement of Western Horizons Federal Credit Union into Arizona Federal Credit Union, the assistance to be in the form of not more than \$8 million in cash assistance.

Background and Discussion. This item was presented to the Board by John Ruffin, Regional Director, Region V (Austin); D. Michael Riley, Director, Office of Examination & Insurance; and John Ianno, Trial Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 4 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: John S. Ruffin, Region V Director; DATE: November 27, 1991; SUBJ: Assisted Purchase and Assumption of Western Horizons Federal Credit Union, #07211, into Arizona Federal Credit Union, #01747, Phoenix, Arizona. The presentation and discussion is on pages 34 through 47 of the verbatim transcript.

Before considering the remaining items on the agenda, the Board took a recess. Chairman Jepsen recessed the closed Board meeting at 12:30 p.m.

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Chairman Jepsen reconvened the closed Board meeting at 1:45 p.m. The Board then considered the next item on the agenda.

5. Administrative Actions under Section 206 of the FCU Act.

a. Margaret Czosek.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously approved issuing the Order of Prohibition that is attached to the Board Action Memorandum to Margaret Czosek.

Background and Discussion. This item was presented to the Board by Richard Schulman, Staff Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 5A and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Office of General Counsel; DATE: December 3, 1991; SUBJ: Order of Prohibition. The presentation and discussion is on pages 48 through 53 of the verbatim transcript.

b. Daniel S. Maydeck.

Chairman Jepsen moved, Vice Chairman Bowne' seconded, and the Board approved issuing the Order of Prohibition and civil money penalty that is attached to the Board Action Memorandum to Daniel S. Maydeck.

Background and Discussion. This item was presented to the Board by Richard Schulman, Staff Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 5B and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: Office of General Counsel; DATE: November 14, 1991; SUBJ: Order of Prohibition and Civil Money Penalty. The presentation and discussion is on pages 53 through 61 of the verbatim transcript.

c. Sandra Sanders.

Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board unanimously approved issuing the Order of Prohibition that is attached to the Board Action Memorandum to Sandra Sanders.

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Background and Discussion. This item was presented to the Board by H. Allen Carver, Regional Director, Region III (Atlanta), and Paul Sosnowski, Trial Attorney, Office of General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 5C and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: H. Allen Carver, Director, Region III; DATE: November 25, 1991; SUBJ: Prohibition of Ms. Sandra Sanders. The presentation and discussion is on pages 61 through 64 of the verbatim transcript.

d. Selma Dallas Community FCU, Selma, Alabama.

Chairman Jepsen moved, Board Member Swan seconded, and the Board unanimously delegated to the Regional Director, Region III (Atlanta), the authority: to place Selma Dallas Federal Credit Union into conservatorship; to grant up to \$500 thousand in assistance through an undivided earnings deficit guarantee; and to establish an NCUSIF guaranteed CLF line-of-credit of up to \$1 million, subject to concurrence of the Office of General Counsel and the Office of Examination and Insurance.

Background and Discussion. This item was presented to the Board by H. Allen Carver, Regional Director; Timothy McCollum, Deputy Regional Director; and Larry Maynard, Director, Special Actions, Region III (Atlanta); and Allan Meltzer, Associate General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 5D and identified as MEMORANDUM; TO: NCUA Board; FROM: H. Allen Carver, Regional Director, Region III, Atlanta; DATE: December 14, 1991; SUBJ: Request for Authorization to Place the Selma Dallas Community Federal Credit Union Into Conservatorship Subject to E&I and GC Concurrence and the Submittal of Proper Documentation. The presentation and discussion is on pages 64 through 74 of the verbatim transcript.

6. Supplemental CLF Agent Reimbursement Fee.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously approved payment of \$13,500 to Eastern Corporate Federal Credit Union and \$500 to Corporate Credit Union of Arizona as additional fees for their actions as agents for the Central Liquidity Facility.

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Background and Discussion. This item was presented to the Board by Ronald Lewandowski, Treasurer, Central Liquidity Facility. The item, as presented to and approved by the Board, is included as attachment No. 6 and identified as BOARD ACTION MEMORANDUM; TO: NCUA Board; FROM: President, Central Liquidity Facility; DATE: November 29, 1991; SUBJ: Supplemental CLF Agent Reimbursement Fee. The presentation and discussion is on pages 75 through 84 of the verbatim transcript.

7. Appeal of Denial of Insurance.

Board Member Swan moved, Vice Chairman Bowne' seconded, and the Board unanimously denied the (b)(6),(b)(8) claim for separate insurance of \$18,476.86 on joint account number (b)(6),(b)(8).

Background and Discussion. This item was presented to the Board by James Engel, Deputy General Counsel. The item, as presented to and approved by the Board, is included as attachment No. 7 and identified as BOARD ACTION MEMORANDUM; TO: NCUA BOARD; FROM: Office of General Counsel; DATE: November 29, 1991; SUBJ: Appeal of Account Insurance: Franklin Community FCU. The presentation and discussion is on pages 84 through 106 of the verbatim transcript.

8. Personnel Actions.

a. Additional SSP Position - Office of E&I.

Vice Chairman Bowne' moved, Board Member Swan seconded, and the Board unanimously approved allocating an additional SSP-1 position to the Office of Examination and Insurance for the purpose of managing the most serious problem cases in the agency for a period not to exceed two years; and authorized positions in Region VI be reduced by one and that Rick L. Ravine, currently Associate Regional Director, Region VI, be transferred as soon as possible to the Office of Examination and Insurance.

Background and Discussion. This item was presented to the Board by Donald E. Johnson, Executive Director. The item, as presented to and approved by the Board, is included as attachment No. 8A and identified as BOARD ACTION MEMORANDUM; FROM: Donald E. Johnson, Chairman ERB; TO: NCUA Board; DATE: November 29, 1991; SUBJ: Additional SSP Position in E&I and Assignment. The presentation and discussion is on pages 106 through 111 of the verbatim transcript.

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b. Acting President CLF.

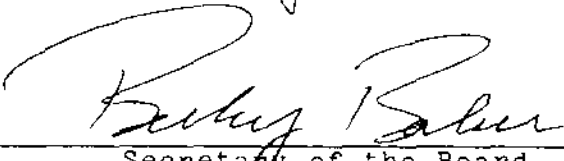
Board Member Swan moved, Chairman Jepsen seconded, and the Board unanimously approved naming Ronald Lewandowski to be Acting President of the Central Liquidity Facility, effective December 30, 1991, and until such time as a permanent selection is made.

Background and Discussion. This item was presented to the Board by Donald E. Johnson, Executive Director. The item, as presented to and approved by the Board, is included as attachment No. 8B and identified as BOARD ACTION MEMORANDUM; FROM: Donald E. Johnson, Executive Director; TO: NCUA Board; DATE: December 5, 1991; SUBJ: Acting President CLF. The presentation and discussion is on pages 111 through 112 of the verbatim transcript.

This concluded the closed Board meeting. Entertaining a motion to adjourn and hearing no objections, Chairman Jepsen adjourned the closed Board meeting at 3:00 p.m.

Approved by the Board on

January 15, 1992


Secretary of the Board