

2. Respondent shall report weekly to the Commissioner and the Regional Director of the status of all ongoing merger discussions and due diligence reviews until the merger is complete.

3. (a) Respondent shall continue to assure adequate oversight and adherence to the general ledger account reconciliation policy and procedures and the cash handling procedures.

(b) Respondent shall continue to report monthly to the Board all progress made regarding the corrective action taken by management to resolve the accounting and internal controls deficiencies, until those deficiencies have been corrected and until a merger is completed.

4. Within thirty (30) days of the date of this Order, Respondent shall develop, adopt, and submit to the Commissioner a revised strategic plan and budget to include the following:

(a) Specific actions to be taken, the assumptions made, and the timeframes necessary to maintain stable financial condition during the merger process;

(b) Contingency plans in the event the financial condition deteriorates further, including specific expense reduction and trigger points when these actions will be taken;

(c) Contingency plans in the event operational and/or key accounting staff is no longer employed at the credit union.

5. Respondent shall not implement or fund any new lending or other new programs without the written approval of the Commissioner.

6. Respondent shall not enter into a new or amended contract or renewal that will cost Respondent more than five thousand dollars (\$5,000) or with a term over one year without the prior written consent of the Commissioner. The request for approval shall be submitted within thirty (30) days prior to entering into the contract or renewal, and include options such as month-to-month cost versus a longer term, and any early termination penalties.

7. Within thirty (30) days after the date of this Order and within twenty-five (25) days after the end of each month thereafter, Respondent shall furnish a written progress report to the Commissioner. The report shall set forth the following in detail:

(a) Actions taken to comply with each section of this Order;

(b) The results of those actions;

(c) A description of actions remaining to be accomplished in order to achieve full compliance of each section of this Order; and

(d) Financial statements, Board minutes, and delinquency schedules with the allowance for loan loss calculation.

This Order is effective immediately and supersedes the Order dated June 12, 2014. Violation of any provision of this Order may be deemed to be conducting business in an unsafe manner, and may subject Respondent to further enforcement action. The Commissioner reserves the right to amend, revoke or rescind this Order in whole or in part. All reports and other documents required to be submitted to the Commissioner by this Order shall be encrypted and sent by secure email or as an attachment to a secure email in an electronic format compatible with DBO's electronic system to the following email address: cuexam.responses@dbo.ca.gov.

Dated: December 9, 2015.

_____/s/_____
Jan Lynn Owen
Commissioner of Business Oversight