

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
OF THE STATE OF CALIFORNIA

In the Matter of	)	
	)	
	)	
BARSTOW COMMUNITY CREDIT UNION,	)	ORDER
	)	(Fin. Code, § 580)
Respondent.	)	
	)	
	)	

Pursuant to Financial Code section 580, the Commissioner of Financial Protection and Innovation (“Commissioner”) orders:

1. Barstow Community Credit Union (“Respondent”) may not appoint any new official or senior officer, or change the responsibilities of any senior officer, without the prior written approval of the Commissioner. Respondent shall submit a written request to the Commissioner at least thirty (30) days prior to any proposed change.

2. (a) Within thirty (30) days from the effective date of this Order, Respondent shall implement a Strategic Plan, documenting specific actions items, assumptions, and timeframes necessary to return the credit union to profitability. The plan, at a minimum, shall include:

- i. Actions to improve gross income and reduce operating expenses;
- ii. Quarterly performance benchmarks, including return on average assets, operating expenses, and net worth, to assess the progress and effectiveness of management’s actions; and
- iii. Contingency plans with specific triggers for when the contingency plans will be implemented.

(b) Respondent shall document and report the progress of the plan to the Board monthly.

3. Within sixty (60) days from the effective date of this Order, Respondent shall commence a search and identify a merger partner that is acceptable to the Commissioner.

1 Respondent shall use all reasonable efforts and submit written representations from at least three  
2 credit unions acceptable to the Commissioner that would be willing to merge with Respondent. The  
3 written representations shall consist of non-binding good faith representations by the credit unions  
4 that they would be able and willing to merge Respondent with and into themselves if Respondent’s  
5 net worth falls below seven percent (7%) of total assets.

6 4. Within thirty (30) days from the effective date of this Order, and within twenty (20)  
7 days after the end of each month thereafter, Respondent shall furnish a written progress report to the  
8 Commissioner and the National Credit Union Administration (“NCUA”) detailing the actions taken  
9 to comply with this Order and the results of those actions. Respondent shall furnish the written  
10 progress reports until instructed otherwise in writing by the Commissioner and the NCUA.

11 This Order is effective immediately. Violation of any provision of this Order may be deemed  
12 to be conducting business in an unsafe manner and may subject Respondent to further enforcement  
13 action. The Commissioner reserves the right to amend, revoke, or rescind this Order in whole or in  
14 part. All reports and other documents required by this Order to be submitted to the Commissioner  
15 shall be encrypted and sent by secure email or as an attachment to a secure email in an electronic  
16 format compatible with the Department of Financial Protection & Innovation’s electronic system to  
17 the following email address: [cuexam.responses@dfpi.ca.gov](mailto:cuexam.responses@dfpi.ca.gov).

18 Jun 18, 2021

19 Dated: \_\_\_\_\_

MANUEL P. ALVAREZ  
COMMISSIONER OF FINANCIAL PROTECTION  
AND INNOVATION

21  
22 By: \_\_\_\_\_

EDGAR GILL  
SENIOR DEPUTY COMMISSIONER