

**UNITED STATES OF AMERICA  
NATIONAL CREDIT UNION ADMINISTRATION  
NATIONAL CREDIT UNION ADMINISTRATION BOARD**

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**IN THE MATTER OF**

Docket No. 98-0501-IV

CHESTER L. KNOX  
FORMER MANAGER OF WEST MICHIGAN  
STATE EMPLOYEES CREDIT UNION

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STIPULATION AND CONSENT TO ISSUANCE OF  
ORDER OF PROHIBITION

The National Credit Union Administration Board ("NCUA Board"), by and through its undersigned counsel, and Chester L. Knox, former Manager of West Michigan State Employees Credit Union, Grand Rapids, Michigan, hereby stipulate and agree as follows:

1. Consideration. The NCUA is of the opinion that grounds exist to initiate an administrative prohibition against Chester L. Knox pursuant to Section 206 of the Federal Credit Union (FCU) Act, 12 U.S.C. §1786. Chester L. Knox, denies that any such grounds exist, however, without admitting that said grounds exist (except those set forth as to Jurisdiction in paragraph 2), desires to avoid the time, cost and expense of administrative litigation. Accordingly, Chester L. Knox consents to the issuance by NCUA Board of an Order of Prohibition ("Order") and hereby stipulates and agrees to the following terms in consideration of the settlement, compromise and resolution of all potential administrative claims and charges that have been or might be asserted by the NCUA Board against Chester L. Knox arising out of his position as a manager of West Michigan State Employees Credit Union.

2. Jurisdiction. (a) Chester L. Knox is an "institution-affiliated party" within the meaning of Section 206(r) of the FCU Act, 12 U.S.C. §1786(r).

(b) Pursuant to the authority vested in the NCUA Board under Section 206(g) of the FCU Act, 12 U.S.C. §1786(g), and Part 747 of the NCUA Rules and Regulations, it is an appropriate Federal agency to maintain enforcement proceedings against such institution-affiliated party. Therefore, Chester L. Knox is subject to the authority of the NCUA to initiate and maintain prohibition proceedings against him.

3. Consent. Chester L. Knox consents to the issuance by the NCUA Board of the accompanying Order of Prohibition. He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of the FCU Act.

4. NCUA. In consideration of Chester Knox's consent to the issuance of the accompanying Order of Prohibition, the NCUA Board hereby agrees that this Order of Prohibition will be the only action taken against Chester L. Knox and will not assert any further administrative claims or charges (including a claim for restitution) that may have been asserted by the NCUA Board against Chester L. Knox relating to West Michigan Employees Credit Union.

5. Waivers. Chester L. Knox waives his right to the administrative hearing provided for in Section 206(g)(4) of the FCU Act, 12 U.S.C. §1786(g)(4). He further waives his right to seek judicial review of the Order of Prohibition or otherwise challenge the validity or legality of the Order.

6. Finality. The Order of Prohibition is issued pursuant to Section 206(g) of FCU, 12 U.S.C. §1786(g). Upon its issuance by the NCUA Board, it shall be a final Order, effective and fully enforceable by the NCUA.

WHEREFORE, in consideration of the foregoing the undersigned, on behalf of the NCUA, and Chester L. Knox execute this Stipulation and Consent to Issuance of Order of Prohibition.

By: \_\_\_\_\_

Richard S. Schulman  
Trial Attorney  
Office of General Counsel  
National Credit Union Administration

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Chester L. Knox  
Date:

**UNITED STATES OF AMERICA**

**NATIONAL CREDIT UNION ADMINISTRATION  
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**IN THE MATTER OF**

Docket No. 980501-IV

CHESTER L. KNOX  
FORMER MANAGER OF WEST MICHIGAN  
STATE EMPLOYEES CREDIT UNION

---

**ORDER OF PROHIBITION**

WHEREAS, Chester L. Knox has executed a Stipulation and Consent to issuance of an Order of Prohibition, which is accepted and approved by the National Credit Union Administration (NCUA) acting through its counsel; and

WHEREAS, Chester L. Knox, in the Stipulation has consented and agreed to the issuance of this Order of Prohibition pursuant to Section 206(g) of the Federal Credit Union Act, 12 U.S.C. §1786(g) and Part 747 of NCUA Rules and Regulations.

NOW THEREFORE, IT IS ORDERED THAT:

1. Chester L. Knox is an institution-affiliated party in that he was the manager of Western Michigan State Employees Credit Union.
2. The Stipulation and Consent of Chester L. Knox to Final Order of Prohibition is made a part hereof and is incorporated by reference.
3. Chester L. Knox is prohibited from participating in any manner in the conduct of the affairs of any federally insured credit union and any other institution as defined in 12 U.S.C. §1786(g)(7).
4. This Order of Prohibition shall be effective on June 1, 1998.

NATIONAL CREDIT UNION ADMINISTRATION BOARD

By: \_\_\_\_\_  
Nicholas Veghts  
Region IV Director

Date: May 26, 1998