

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

IN THE MATTER OF

William Bruce Kay,

Former President and CEO of CU Master Insurance Services Incorporated (CUSO), of Hughes Aircraft Employees Federal Credit Union, Manhattan Beach, California

NCUA Docket No. 99-1201-VI

**ORDER OF PROHIBITION**

Pursuant to Section 206(i)(1) of the Federal Credit Union Act, 12 U.S.C. § I 786(i)(1), you are hereby notified that you are prohibited from participating in any manner in the affairs of any federally insured credit union. This prohibition results from activities you engaged in during your affiliation with CU Master Insurance Services Incorporated and Hughes Aircraft Employees Federal Credit Union. This prohibition is effective immediately upon service. In accordance with Section 206(g)(7)(A) of the Federal Credit Union Act, 12 U.S.C. §1786(g)(7)(A), this Order shall constitute a prohibition from further participation in any manner in the affairs of any federally insured financial institution, or other entity identified therein, without the written permission of the appropriate federal regulatory agency. This Order has been issued based upon the following information.

You pled nolo contendere to one count of the California Penal Code 487(A), Grand Theft of Property over \$400.00. On July 1, 1999, by the Municipal Court of South Bay Judicial District, County of Los Angeles, State of California, you were sentenced to I day of prison followed by three years of probation and perform 300 hours of community service. A copy of the Judgment in a Criminal Case, printed July 7, 1999, is attached to this Order as Attachment I and is incorporated by reference herein.

You committed the offense which forms the basis for your conviction

while you were president of CU Master Insurance Services Incorporated, a Credit Union Service Organization (CUSO) of Hughes Aircraft Employees Federal Credit Union, Manhattan Beach, California. At the time of your criminal actions, CU Master Insurance Services Incorporated was a CUSO of a federally-insured credit union.

The offense to which you pled nolo contendere involves personal dishonesty and breach of trust. Your continued participation in the affairs of any federally insured credit union may pose a threat to the interests of credit union members and may threaten to impair public confidence in the credit union involved.

#### **NOTICE OF HEARING**

Pursuant to Section 206(i)(3), of the Federal Credit Union Act, 12 U.S.C. §1786(i)(3), you may request in writing, within thirty days of service of this Order, an opportunity for a hearing at which you may present evidence and argument that your continued participation in the affairs of any federally insured credit union would not, or would not be likely to, pose a threat to the interests of that credit union's members or threaten to impair public confidence in the credit union. Any such request should be sent to: Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428. This hearing will be held in the Washington, D.C. metropolitan area, or such other place as designated by the Board, in accordance with Subpart D of Part 747 of the National Credit Union Administration's Rules and Regulations, 12 C.F.R. §747.301 *et. seq.*

#### **PENALTY FOR VIOLATION OF ORDER OF PROHIBITION**

Pursuant to Section 206(k)(2) of the Federal Credit Union Act, 12 U.S.C. § 1786(k)(2), any violation of this Order may subject you to a Civil Money Penalty of up to \$1,000,000.00 a day for each day said violation continues. In addition, pursuant to Section 206(l) of the Federal Credit Union Act, 12 U.S.C. § 1786(l), any violation of this Order is a felony offense that is punishable by imprisonment of up to five years and a fine of up to \$1,000,000.00.

Dated this 22nd day of November, 1999.

National Credit Union Administration  
by

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Jane A. Walters  
Regional Director, Region VI  
National Credit Union Administration