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

IN THE MATTER OF		
San Clemente Financial Group, Inc., <i>aka</i> San Clemente Financial Group Securities, Inc., <i>aka</i> San Clemente Securities, Inc., an Institution - Affiliated Party	) ) ) )	Docket No. 00-12-02-VI

## STIPULATION AND CONSENT TO ISSUANCE OF ORDER OF PROHIBITION

The National Credit Union Administration (NCUA), by and through its undersigned counsel, and Cooke B. Christopher, acting as President / CEO of San Clemente Financial Group Securities, Inc. (hereafter "SCS"), hereby stipulate and agree as follows:

1. Consideration. The NCUA, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative prohibition / civil money penalty proceeding against SCS pursuant to Sections 206(g) and 206(k)(2) of the Federal Credit Union Act, 12 U.S.C. §1786(g), (k)(2). SCS denies that such grounds exist, but desires to avoid the time, cost and expense of such administrative litigation and, without admitting that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance of the NCUA from initiating such administrative litigation against it.

### 2. Jurisdiction.

- (a) SCS, a California corporation, has been in the business of marketing financial products to members of the public including federally insured credit unions throughout the United States. Cooke B. Christopher was associated with SCS from on or about January 18, 1995, to on or about June 21, 2000. At all relevant times, Christopher was President and CEO of SCS, as well as owner of approximately 44 percent of the Firm. On or about July 16, 1997, Christopher, acting individually and in his capacity as President / CEO of SCS, signed a Stipulation and Consent to Issuance of a Cease and Desist Order by the NCUA Board against SCS. On October 22, 1997, the NCUA Board entered an Order against SCS, which Order remains in full force and effect. SCS is an institution-affiliated party as that term is defined in Section 206(r) of the Federal Credit Union Act, 12 U.S.C. §1786(r), and subject to the jurisdiction of the NCUA Board as a result of the entry of the NCUA Board's Order against it.
- (b) Pursuant to Sections 206(g), (k)(1) of the Federal Credit Union Act, 12 U.S.C. §1786(g), (k)(1) and Part 747 of the National Credit Union Administration's Rules and Regulations, 12 C.F.R. Part 747, the NCUA is empowered to maintain enforcement proceedings against federally insured credit unions and institution-affiliated parties. SCS is

subject to the authority of NCUA to initiate and maintain an administrative action against it.

- 3. <u>Consent</u>. Cooke B. Christopher, acting as President / CEO of SCS, consents to the issuance by the Board of the NCUA of the accompanying Order of Prohibition. He further agrees that SCS will comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.
- 4. <u>Cooperation</u>. Cooke B. Christopher agrees to cooperate fully with any NCUA investigation into investment activities at credit unions, including but not limited to, providing full and complete answers to questions by NCUA in connection therewith.
- 5. <u>Waivers</u>. SCS waives its right to a Notice of Prohibition and administrative hearing as provided for in Section 206(g)(4) of the Federal Credit Union Act, 12 U.S.C. §1786(g)(4). It further waives any right to seek judicial review of the Order of Prohibition or to otherwise challenge the validity or legality of the Order.
- 6. <u>Finality</u>. The Order of Prohibition is issued pursuant to Section 206(g) of the Federal Credit Union Act, 12 U.S.C. §1786(g). Upon its issuance by the National Credit Union Administration Board, it shall be a final order, immediately effective and fully enforceable by the National Credit Union Administration.
- 7. Other federally insured financial institutions. In accordance with Section 206(g)(7)(A) of the Federal Credit Union Act, 12 U.S.C. §1786(g)(7)(A), the Order of Prohibition shall constitute a prohibition from further participation in any manner in the affairs of any federally insured financial institution, or other entity identified therein, including but not limited to selling or placing investments with federally insured credit unions or providing investment advice to them, without the written permission of the NCUA Board and the appropriate federal financial institutions regulatory agency.

**WHEREFORE**, in consideration of the foregoing, the undersigned counsel, on behalf of the National Credit Union Administration, and Cooke B. Christopher, acting on behalf of SCS, execute this Stipulation and Consent to Issuance of Order of Prohibition.

By: / <u>s/</u>	By: /s/			
NATIONAL CREDIT UNION	COOKE B. CHRISTOPHER PRESIDENT / CEO SAN CLEMENTE FINANCIAL			
ADMINISTRATION				
	GROUP SECURITIES, INC.			
Date: 12-15-00	Date: <u>12-13-00</u>			
UNITED STATE	S OF AMERICA			
NATIONAL CREDIT UN	ION ADMINISTRATION			
NATIONAL CREDIT UNION	ADMINISTRATION BOARD			
IN THE MATTER OF (				

	)	
San Clemente Financial Group, Inc.,	)	
aka San Clemente Financial Group	)	<b>Docket No. 00-12-02-VI</b>
Securities, Inc., aka San Clemente	)	
Securities, Inc., an Institution -	)	
Affiliated Party	)	
-	)	

#### **ORDER OF PROHIBITION**

WHEREAS, San Clemente Financial Group Securities, Inc., hereafter ("SCS") is an institution-affiliated party; and

**WHEREAS**, Cooke B. Christopher, acting as President / CEO of SCS, has executed a Stipulation and Consent to Issuance of Order of Prohibition, which is accepted and approved by the National Credit Union Administration acting through its counsel; and

WHEREAS, SCS 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 the National Credit Union Administration's Rules and Regulations, 12 C.F.R. §747;

### NOW, THEREFORE, IT IS ORDERED THAT:

- 1. SCS is prohibited from further participation, in any manner, in the conduct of the affairs of any federally insured credit union, including but not limited to selling or placing investments with federally insured credit unions or providing investment advice to them.
- 2. Without the prior written approval of the National Credit Union Administration Board and, if applicable, the appropriate federal financial institutions regulatory agency, SCS may not participate in any manner in the affairs of any institution(s) or other entity set forth in Section 206(g)(7)(A) of the Federal Credit Union Act, 12 U.S.C. §1786(g)(7)(A).
- 3. The Stipulation and Consent to Issuance of this Order of Prohibition, dated December , 2000, is made a part hereof and is incorporated herein by this reference.
- 4. This Order of Prohibition shall become effective on the date it is issued.

DATE: _	12/21/00					
	NATIONAL CREDIT UNION ADMINISTRATION BOARD					
	<b>BY</b> : / <u>s/</u>					
	Robert E. Blatner					
	Regional Director, Region VI, Pacific					
	National Credit Union Administration					