

UNITED STATES OF AMERICA
NATIONAL CREDIT UNION ADMINISTRATION
Alexandria, Virginia

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| In the Matter of |) | |
| The Cease-and-Desist Order of |) | |
| Bagumbayan Credit Union |) | NCUA Docket No. 13-0039-R4 |
| Charter No. 66200 |) | |
| |) | |

ORDER TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF

WHEREAS, Bagumbayan Credit Union (“Credit Union”) has executed a Stipulation and Consent to Issuance of a Final Order to Cease and Desist for Affirmative Relief dated September 24, 2013 (“Stipulation and Consent”) and consented to the issuance of this Order to Cease and Desist for Affirmative Relief (“Order”), pursuant to Section 206(e) of the Federal Credit Union Act, 12 U.S.C. § 1786(e), and Part 747 of the National Credit Union Administration Regulations, 12 C.F.R. Part 747; and

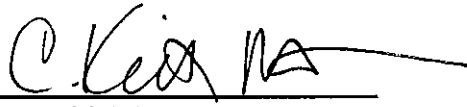
WHEREAS, the National Credit Union Administration Board (“NCUA Board”) has jurisdiction over Credit Union, its directors, officers, committee members, and employees pursuant to Section 206(e) of the Federal Credit Union Act, 12 U.S.C. § 1786(e);

WHEREAS, pursuant to the Federal Credit Union Act and the National Credit Union Administration Regulations, the NCUA Board has authority to issue a final Order where the Respondent consents to the issuance of such an Order; and

WHEREAS, the NCUA Board has considered the terms and conditions agreed to in the Stipulation and Consent;

NOW THEREFORE, the NCUA Board issues this Order, effective on the date below, requiring Credit Union to comply with all of the terms of the Stipulation and Consent, which is incorporated into this Order by reference.

THE NATIONAL CREDIT UNION ADMINISTRATION BOARD

BY: 
C. Keith Morton,
Regional Director

Dated: Sept. 24, 2013

**UNITED STATES OF AMERICA
NATIONAL CREDIT UNION ADMINISTRATION
Alexandria, Virginia**

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| In the Matter of The Cease-and-Desist Order of Bagumbayan Credit Union Charter No. 66200 |)))))) | NCUA Docket No. 13-0039-R4 |
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**STIPULATION AND CONSENT TO ISSUANCE OF A FINAL ORDER
TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF**

The National Credit Union Administration Board ("NCUA Board"), by and through its undersigned Regional Director, and Bagumbayan Credit Union ("Credit Union"), hereby stipulate and agree as follows:

1. Consideration. The National Credit Union Administration ("NCUA") is of the opinion that grounds exist to initiate an administrative cease and desist action against Credit Union pursuant to Section 206 of the Federal Credit Union Act ("FCUA"), 12 U.S.C. § 1786. Credit Union, without admitting or denying 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, Credit Union consents to this Stipulation and the subsequent issuance by the NCUA Board of a Final Order to Cease and Desist For Affirmative Relief ("Order").

2. Jurisdiction.

a. Credit Union is an insured credit union within the meaning of Section 101 of the FCUA, 12 U.S.C. §§ 1752(1), 1752(7).

b. Pursuant to the authority vested in the NCUA Board under Section 206 of the FCUA, 12 U.S.C. § 1786, and Part 747 of the NCUA Regulations (“Regulations”), 12 C.F.R. Part 747, NCUA is an appropriate federal agency to maintain enforcement proceedings against an insured credit union and its directors, officers, and employees, each of which are institution-affiliated parties pursuant to 12 U.S.C.

§ 1786(r). Therefore, Credit Union is subject to the NCUA Board’s authority to initiate and maintain proceedings against it.

3. Consent. Credit Union consents to the issuance by the NCUA Board of the accompanying Order. Credit Union (including all directors, committee members, officers and employees) agrees that the Order complies with the FCUA and agrees to take the following actions immediately and according to the dates specified:

- A. Cease and desist allowing unapproved officials to attend board meetings.
- B. Cease and desist allowing unapproved officials to serve on committees.
- C. Cease and desist allowing unapproved officials or individuals not employed by Credit Union to perform any and all managerial and/or operational functions. This would include but is not limited to:
 - 1. Recordkeeping;

2. Access to proprietary Credit Union information not otherwise available to all members;
 3. Access to member information;
 4. Maintenance or possession at any time of Credit Union funds, securities, member data, or any other assets of Credit Union;
 5. Deliberation, decision-making, or voting on any matters, including strategic initiatives, personnel decisions, or Credit Union policies or procedures; and
 6. Acting as agents of or taking action on behalf of Credit Union in any capacity.
- D. Refrain from implementing any elements of the business plan being contemplated that involves money remittance services.
- E. Develop and present to NCUA and the Illinois Department of Financial and Professional Regulation (“IDFPR”) for prior review and approval a detailed revised business plan that fully addresses Credit Union’s proposal to ensure compliance with the Bank Secrecy Act (31 U.S.C. Chapter 53), Financial Crimes Enforcement Network (“FinCEN”) regulations (including 31 C.F.R. Part 1020), NCUA’s regulations (12 C.F.R. Part 748), Office of Foreign Asset Control regulations (including 31 C.F.R. Part 500) and any other applicable laws and regulations governing money remittance services to the extent that Credit Union decides to continue contemplating this line of business. In connection with this requirement, Credit Union must submit the revised business plan to NCUA and the IDFPR for review and approval before implementing any aspect of the money remittance plan, including the establishment of retail locations for the sale or provision of such services.

- F. Refrain from implementing any elements of the business plan being contemplated that involves establishment of new lines of business, including sale and/or marketing of insurance products, establishment of a non-vessel operating cargo company, or pursuit of loans secured by foreign collateral.
- G. Develop and present to NCUA and the IDFPR for prior review and approval a detailed revised business plan demonstrating full consideration of the potential legal or regulatory compliance risks associated with such lines of business, to the extent that Credit Union decides to continue contemplating such lines of business, including any applicable state law in jurisdictions where Credit Union plans to establish a physical presence. In connection with this requirement, Credit Union must submit the revised business plan to NCUA and the IDFPR for review and approval before initiating any such new line of business outlined in the business plan.
- H. Resolve or cause to be resolved immediately all recordkeeping issues identified in your June 30, 2013 exam report.
- I. Resolve or cause to be resolved immediately all Bank Secrecy Act violations identified in your March 31, 2012 examination report.
- J. Ensure immediately the secure storage and secure transmission of all member data, consistent with the factors enumerated in NCUA's Regulations, 12 C.F.R. Part 748, Appendix A.
- K. Comply immediately with all lawful directives of the IDFPR, including suspension orders issued by that agency.

- L. Notify immediately Credit Union's bonding company of the activities of the unapproved officials and ensure that Credit Union's fidelity bond coverage remains in place, consistent with NCUA Regulations, 12 C.F.R. § 741.201.
- M. Obtain by year-end approval by NCUA for enough officials to fill all eleven board member positions, as required by Credit Union's bylaws.
- N. Submit to NCUA and the IDFP, in lieu of approval for officials, a merger plan.

4. Waivers. Credit Union waives its right to an administrative hearing on this Order as provided for in Section 206 of the FCUA, 12 U.S.C. § 1786. It further waives its right to seek judicial review of the Order, or otherwise challenge the validity or legality of the Order.

5. Modification. Credit Union and NCUA agree that this Order will remain in effect unless modified in writing by the Regional Director for NCUA's Region IV. Credit Union agrees that any such modification shall constitute an amendment to the Order and shall be fully enforceable by NCUA.

6. Severability. If any part of this Agreement is found unenforceable for any reason, NCUA and Credit Union agree that all other portions shall remain valid and enforceable.

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

WHEREFORE, in consideration of the foregoing, the undersigned, on behalf of the NCUA Board and Credit Union, execute this Stipulation and Consent to Issuance of Cease and Desist Order. The parties may execute this Stipulation and Consent to Issuance of Cease and Desist Order in counterparts.

Dated this 24th day of Sept. 2013.

NATIONAL CREDIT UNION ADMINISTRATION BOARD

By: C. Kea

BAGUMBAYAN CREDIT UNION

E. BERNARDOS (PRESIDENT)
Chairperson

9-24-13
Date

, Vice-Chairperson

9-24-13
Date

NORBERTO LUNA
, Treasurer

9-24-13
Date

JOHNSON CHAN - JOHNSON CHAN
, Secretary BOARD MEMBER