

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

In the Matter of	§	
	§	
Jeffrey B. Moats,	§	Docket No. 23-0109-SR
	§	
Former Institution-Affiliated Party of	§	12 U.S.C. §§ 1786(g), 1786(e), 1786(k)
Edinburg Teachers Credit Union	§	
Insurance Certificate No. 66366	§	
Edinburg, Texas.	§	
	§	

**NOTICE OF CHARGES, NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY,
AND NOTICE OF HEARING**

The National Credit Union Administration Board (“NCUA”), for the reasons more fully set forth below, has determined that Jeffrey B. Moats (“Respondent” or “Moats”), is an institution-affiliated party (“IAP”), who has violated the law, breached his fiduciary duties, and engaged in unsafe and unsound practices in his roles as Chief Executive Officer (“CEO”) and director of Edinburg Teachers Credit Union, NCUA Insurance Certificate No. 66366, (“ETCU” or the “Credit Union”), and by reason of such violations, breaches, and practices caused a financial loss to ETCU, and financial gain and unjust enrichment to himself. Moats violated the Federal Credit Union Act, NCUA Rules and Regulations, and various provisions of Title 18 of the United States Code, including but not limited to 18 U.S.C. § 1344 (Bank Fraud), 18 U.S.C. § 657 (Embezzlement), 18 U.S.C. § 1006 (False Entries), and 18 U.S.C. § 1517 (Obstructing an Examination). Moats’ violations, breaches, and practices involve personal dishonesty and demonstrate a reckless disregard for the law and his unfitness to serve as an IAP of any federally insured depository institution. Moats knowingly and intentionally violated the law and breached his fiduciary duties and knowingly caused a substantial loss to ETCU. As a result, the NCUA

Board seeks (1) an Order prohibiting Moats from participating in the conduct of the affairs of any federally insured depository institution, pursuant to 12 U.S.C. § 1786(g); (2) an Order compelling Moats to make restitution, pursuant to 12 U.S.C. § 1786(e)(3); and (3) an Order compelling Moats to pay a Civil Money Penalty pursuant to 12 U.S.C. § 1786(k).

Overview

When Moats was the CEO and later a member of the ETCU board of directors, he violated the law, breached his fiduciary duties to ETCU, and engaged in unsafe and unsound practices. Moats placed his personal financial interests ahead of those of ETCU and its members.

Moats, without board approval, directed ETCU staff to transfer large sums to him in connection with purported retention bonus or supplemental employee compensation plans that were never discussed nor approved by the board of directors. Moats also without board approval directed ETCU employees to fund his retirement account wholly from ETCU funds, where the plain language of the retirement account program provided that there would be no employer contribution. Additionally, Moats directed ETCU staff to pay him \$220,000 for accrued, unused vacation time in the absence of any ETCU policy permitting such payment and without board approval. Finally, Moats, without authorization, caused ETCU to pay car insurance premiums on his personally owned vehicle for a number of years.

When state and federal regulators requested documentation supporting the retention bonus and vacation time payments, Moats fabricated and backdated multiple documents in an attempt to legitimize the payments. Moats provided the fabricated documents to both the Texas Credit Union Department (“TCUD”) and the NCUA.

Moats' management and involvement in the affairs of ETCU caused severe financial loss to ETCU and significant financial gain and unjust enrichment to Moats. His actions involve personal dishonesty and demonstrate a reckless disregard for the law and his unfitness to participate in the affairs of any federally insured depository institution. By his own intentional acts, Moats caused losses to ETCU exceeding \$4,000,000.

STATEMENT OF FACTS

Jurisdiction

1. At all times pertinent to these proceedings, ETCU was a state chartered, federally insured credit union (NCUA Insurance Certificate # 66366), located in Edinburg, Texas, that was, and is, subject to the Federal Credit Union Act, NCUA's regulations, and applicable Texas state laws and regulations.

2. From and after July 31, 1985, deposits at ETCU have been continuously insured by the NCUA, making ETCU an "insured credit union" as that term is used in the Federal Credit Union Act, 12 U.S.C. §§ 1751-1795k.

3. Moats first became an employee of ETCU in 1995 when he was hired as CEO. In 2012, Moats became a member of the board of directors of ETCU. Moats held both positions from that time until ETCU was placed into conservatorship in 2021.

4. At all times pertinent to these proceedings, Moats was an IAP, as defined in Section 206(r) of the Federal Credit Union Act, 12 U.S.C. § 1786(r).

5. The NCUA Board is authorized to pursue the relief sought here by Sections 206(g), (e), and (k) of the Federal Credit Union Act, 12 U.S.C. §§ 1786(g), (e), (k).

Background

6. In 1955, ETCU was established in Edinburg, TX, to provide financial resources to individuals affiliated with the Edinburg Consolidated Independent School District. Currently, ETCU serves those individuals as well as individuals affiliated with several other area school districts, the University of Texas Rio Grande Valley, and several other employers.

7. ETCU provides a variety of financial services and products to its members, including savings and checking accounts and various consumer loan products.

8. As a state chartered, federally insured credit union, ETCU is subject to regulation and supervision by the TCUD and the NCUA.

9. The TCUD and NCUA conducted a joint examination of ETCU with an effective date of December 31, 2020.

10. During that examination, which began in January 2021, examiners noticed a large debit balance in a general ledger account and determined that there had been several large transfers to Moats' personal accounts from this account.

11. When on January 26, 2021, TCUD and NCUA examiners requested Moats to provide documentation supporting these large transfers and others, Moats delayed and ultimately provided documents that were fabricated in response to the examiners' requests for records.

12. After determining that it was necessary to protect the interests of the Credit Union's members, the TCUD placed ETCU into conservatorship and appointed the NCUA Board as Conservator on March 26, 2021.

13. In its Conservatorship Order, the TCUD found that ETCU was operating in an unsafe and unsound manner, and immediately relieved all members of the board of directors of ETCU of all official Credit Union duties.

14. That same day, Moats was removed for cause as CEO of ETCU by the NCUA Board as Conservator for ETCU.

Moats Violated the Law, Breached his Fiduciary Duties to ETCU, and Engaged in Unsafe or Unsound Practices

15. As CEO and a Board Member of ETCU, Moats owed fiduciary duties to ETCU and its shareholders including the duties of care, loyalty, and good faith. In addition, Moats was obliged to comply with the applicable policies and procedures of ETCU.

16. At all relevant times, ETCU's bylaws required minutes of board meetings to be prepared and maintained by the Board Secretary.

17. Despite having never held the office of Board Secretary, Moats personally drafted and maintained minutes of the board meetings of ETCU.

18. By his own control of the board meeting minutes, Moats fabricated approvals for large transfers to himself within the minutes where, in fact, those transfers were never discussed by nor approved by the board of directors.

19. To avoid detection of the falsehoods he inserted into the board minutes, Moats would periodically request that the chairman of the board of directors come to the ETCU premises and sign stacks of board meeting minutes without the opportunity for review. Moats would label the pages requiring signature with sticky notes and request that all minutes be signed in one sitting. While the board meeting minutes reflect that at each meeting the prior meeting's minutes were approved, in practice the minutes were not reviewed by the directors.

20. Moats defrauded the Credit Union in violation of federal law by directing ETCU employees to make large transfers of funds to his personal accounts. These actions also constitute unsafe or unsound practices and breaches of his fiduciary duties to ETCU.

21. By creating false records and providing the same to NCUA examiners, Moats violated federal law. These actions also constitute unsafe or unsound practices and breaches of his fiduciary duties to ETCU.

COUNT ONE:

WITHOUT BOARD AUTHORIZATION, MOATS DIRECTED ETCU STAFF TO TRANSFER LARGE SUMS OF MONEY TO HIMSELF AND FABRICATED CREDIT UNION RECORDS TO SUPPORT THESE PAYMENTS

22. Paragraphs 1 through 21, above, are re-alleged and are incorporated herein by reference.

23. Moats and ETCU entered into a Supplemental Executive Retirement Plan (“SERP”) in 2010.

24. This SERP was documented with a comprehensive agreement explaining that the SERP was established to provide Moats with “deferred compensation benefits under Section 457(f) of the Internal Revenue Code,” and describing the rights of the parties, vesting, payment amount, and more. This agreement included a provision for tax gross-up, so that any taxes Moats would owe in connection with payments under the plan would be paid by ETCU. The SERP agreement was executed by the then-chairman of the board of directors on March 23, 2011.

25. On May 31, 2012, Moats joined the board of directors of ETCU to fill a vacancy created by another director’s resignation.

26. The minutes Moats prepared of the November 29, 2012, ETCU board meeting state that Moats recused himself from the meeting, that former ETCU director [REDACTED] [REDACTED] “motioned to authorize the distribution of the supplemental executive retirement plan to Jeffrey B. Moats by December 31, 2012 in return for Mr. Moats contractually agreeing to

honor the original terms of the [2010 SERP],” that former ETCU director [REDACTED] [REDACTED] seconded the motion, and that the board of directors unanimously approved the motion and payment.

27. [REDACTED] is deceased. In his sworn testimony, director [REDACTED] states that he does not recall [REDACTED] making such a motion, denies “seconding” this motion, and does not recall any board discussion of an early distribution of Moats’ retirement accounts.

28. On December 3, 2012, and at Moats’ direction, former ETCU employee [REDACTED] [REDACTED] transferred \$949,846.29 of ETCU funds for the benefit of Moats, with Moat’s personal ETCU account receiving \$599,000 and the remaining amount being used to cover the payroll taxes on the payment.

29. The minutes Moats prepared of a June 10, 2014 “Special Meeting” of the board of directors of ETCU state that former ETCU director [REDACTED] [REDACTED] “motioned to revise the 457(f) for Mr. Jeffrey B. Moats by immediately funding and distributing an additional \$299,000 net pay (after-tax),” that former ETCU director [REDACTED] [REDACTED] seconded the motion, and that the board of directors unanimously approved the motion and payment.

30. In his sworn testimony, director [REDACTED] [REDACTED] denies ever having approved any such payment and maintains that dollar amounts relating to Moats’ compensation were never discussed in his presence.

31. In his sworn testimony, director [REDACTED] [REDACTED] states he does not recall any “special meeting” to discuss Moats’ compensation, that he does not recall seconding a motion to immediately distribute \$299,000 to Moats on June 14, 2014, and that he would not have voted to approve such payment.

32. Finally, in his sworn testimony former ETCU Board Chair [REDACTED], whom the minutes state attended the “special meeting,” does not recall attending a special meeting to discuss Moats’ retirement plans or an immediate distribution of \$299,000 net pay to Moats.

33. On June 12, 2014, and at Moats’ direction, [REDACTED] transferred \$510,786.55 of ETCU funds for the benefit of Moats, with Moat’s personal ETCU account receiving \$299,000 and the remaining amount being used to cover the payroll taxes on the payment.

34. The minutes Moats prepared of a December 22, 2015, ETCU board meeting state that Moats recused himself, that former ETCU director [REDACTED] motioned to revise the 457(f) for Mr. Jeffrey B. Moats by immediately funding and distributing an additional \$599,000 net pay (after-tax) and extending the vesting date to January 2, 2023,” that [REDACTED] seconded the motion, and that the board unanimously approved the motion and payment.

35. In his sworn testimony, director [REDACTED] denies ever having made a motion to make any such payment, does not recall ever discussing Moats’ compensation or retirement plans in dollar terms, and cannot recall Moats ever recusing himself from discussions pertaining to his compensation.

36. Similarly, in his sworn testimony, director [REDACTED] denies authorizing this payment and does not recall Moats ever recusing himself from any board discussions.

37. In their sworn testimony, the other board members listed as present at the December 22, 2015, meeting, directors [REDACTED] also deny knowledge of or authorizing this payment

38. On January 8, 2016, and at Moats' direction, ██████████ transferred \$1,037,051.46 of ETCU funds for the benefit of Moats, with Moat's personal ETCU account receiving \$599,000 and the remaining amount being used to cover the payroll taxes on the payment.

39. The minutes Moats prepared of a March 28, 2019, ETCU board meeting state that former ETCU director ██████████ "motioned to revise the 457(f) for Mr. Jeffrey B. Moats by immediately funding and distributing an additional \$599,000 net pay (after-tax) and extending the vesting date to October 1, 2027," that director ██████████ seconded the motion, and that the board unanimously approved the motion and payment.

40. In his sworn testimony, director ██████████ denies having made any such motion, and does not recall ever discussing or approving such payment.

41. Similarly, in his sworn testimony, director ██████████ denies ever approving such payment.

42. In his sworn testimony, ██████████ the remaining director who allegedly voted to approve this payment, does not recall the board of directors discussing or approving this payment.

43. On April 1, 2019, and at Moats' direction, ██████████ transferred \$985,132 of ETCU funds for the benefit of Moats. Of that amount, \$599,000 was deposited into Moats' personal ETCU account and the remainder was used to cover payroll taxes on the payment.

44. The minutes Moats prepared of a January 28, 2021, ETCU board meeting state that Moats recused himself, that director ██████████ "motioned to approve an Executive Retention Bonus Agreement, concluding October 1, 2027, for Jeffrey B. Moats, with an immediate after-tax disbursement of \$299,000," that director ██████████ seconded the motion, and that the board unanimously approved the motion and payment.

45. In his sworn testimony, board member ██████ denies knowledge of or approving this payment and does not recall Moats ever recusing himself from any matter.

46. In his sworn testimony, director ██████ denies seconding the motion, states he does not recall ever discussing Moats' compensation or retirement plans in dollar terms, and cannot recall Moats ever recusing himself from discussions pertaining to his compensation.

47. In their sworn testimony, ██████ the remaining directors who allegedly voted to approve this payment, state that they do not recall the board of directors discussing or approving this payment.

48. On January 28, 2021, and at Moats' direction, ██████ transferred \$501,143.68 of ETCU funds for the benefit of Moats. Of that amount, \$299,000 was deposited into Moats' personal ETCU account and the remainder was used to cover payroll taxes on the payment.

49. Despite numerous references in board minutes to "revisions" to the 2010 SERP agreement, no subsequent or revised versions of the 2010 SERP were located following conservatorship.

50. When on January 26, 2021, TCUD and NCUA examiners requested documentation supporting the 2019 and 2021 payments described above, Moats failed to provide them with documentation on demand.

51. Moats subsequently produced fabricated documents to TCUD and NCUA in response to their request.

52. Specifically, Moats obtained a draft "Executive Retention Bonus Agreement" from ETCU's outside counsel on February 2, 2021.

53. Using the draft "Executive Retention Bonus Agreement," Moats created two documents—one for 2019 and one for 2021.

54. He backdated and signed each one thereby misrepresenting that they were executed on March 28, 2019 and January 28, 2021, respectively, to align with the meeting minutes he fabricated to state that the ETCU board approved the payments at the board meetings held on those dates.

55. Moats obtained the signature of the chair of the ETCU's board of directors on each document and produced the documents to NCUA and TCUD examiners to legitimize the 2019 and 2021 transfers that had not been approved by ETCU's board.

56. In summary, Moats directed ETCU staff to transfer \$3,983,959.98 of ETCU funds for his benefit and fabricated records to legitimize the transfers.

57. Moats' conduct constituted violations of law, unsafe or unsound practices, and breaches of his fiduciary duties to ETCU. By reason of these violations, practices and breaches, Moats caused a financial loss to ETCU and a financial gain and unjust enrichment to himself. These violations, practices and breaches involved personal dishonesty by Moats and demonstrate Moats' reckless disregard for the law and his unfitness to serve as a director, officer, or to otherwise participate in the conduct of the affairs of any insured depository institution.

COUNT TWO:

WITHOUT BOARD AUTHORIZATION, MOATS DIRECTED ETCU STAFF TO MAKE CONTRIBUTIONS TO HIS 457(B) RETIREMENT ACCOUNT WITH ETCU FUNDS WHERE THE 457(B) AGREEMENT STATED THERE WAS TO BE NO EMPLOYER CONTRIBUTION

58. Paragraphs 1 through 57, above, are re-alleged and are incorporated herein by reference.

59. On September 28, 2004, Moats and ETCU entered into a 457(b) plan.

60. A 457(b) plan permits employees and employers to make pre-tax contributions to their retirement account and pay taxes on withdrawals during retirement.

61. The 457(b) plan's "Participation Agreement" specified that there would be no employer contributions. Rather, all contributions to the account were to be funded entirely by the employee.

62. In 2004 and 2005, Moats funded deposits to this account with his own funds.

63. Beginning in 2006, Moats without authorization and in contradiction of the terms of the Participation Agreement directed [REDACTED] to fund contributions to the account using ETCU funds.

64. Without board authorization, Moats directed [REDACTED] to deposit a total of \$283,000 into this account

65. This conduct by Moats constituted violations of law, unsafe or unsound practices and breaches of his fiduciary duties to ETCU. By reason of these violations, practices and breaches, Moats caused a financial loss to ETCU and a financial gain and unjust enrichment to Moats. These violations, practices and breaches involved personal dishonesty by Moats and demonstrate Moats' reckless disregard for the law and his unfitness to serve as a director, officer, or to otherwise participate in the conduct of the affairs of any insured depository institution.

COUNT THREE:

WITHOUT BOARD AUTHORIZATION, MOATS CAUSED ETCU TO PAY HIM \$220,000 FOR ACCRUED VACATION TIME

66. Paragraphs 1 through 65, above, are re-alleged and are incorporated herein by reference.

67. On or about December 7, 2020, Moats caused ETCU to pay to him the amount of \$220,000 in gross as compensation for unused vacation time.

68. While Moats had previously directed ETCU staff to pay two of his subordinates for unused vacation time on a limited basis, ETCU did not have a policy providing for discretionary payout of sick or vacation time.

69. Moats testified in his deposition that ETCU had sick and vacation leave policies in place prior to 2021, that the policies allowed for the payout of accrued vacation time, that the same were reviewed periodically by the board of directors, and that he provided the policies to TCUD or NCUA examiners on an annual basis.

70. While prior versions of sick and vacation leave policies were located, those policies did not provide for the payout of accumulated leave.

71. Similarly, a review of the minutes of ETCU board meetings from 2005 through 2020 revealed no mention of leave policies, despite listing numerous other policies that were reviewed on an annual or otherwise regular basis.

72. Moats' deposition testimony that he provided the leave policies to examiners on an annual basis contradicts his February 11, 2021, email response to examiners' request for the policies that "I don't believe any regulator has requested this in my 25 years at ETCU."

73. Moats again fabricated documents to justify vacation and sick leave payments to himself. Specifically, on February 12, 2021, Moats generated two files containing purported sick and vacation leave policies and directed [REDACTED] to provide the same to the examiners via a web portal.

74. Moats also fabricated an entry in the minutes he prepared of an ETCU board meeting held January 28, 2021, stating that Moats recused himself and that the board of directors approved these policies during that meeting.

75. Because Moats fabricated the leave policy documents on February 12, 2021, it is impossible for the board of directors to have reviewed and approved the policies on January 28, 2021.

76. This conduct by Moats constituted violations of law, unsafe or unsound practices and breaches of his fiduciary duties to ETCU. By reason of these violations, practices and breaches, Moats caused a financial loss to ETCU and a financial gain and unjust enrichment to himself. These violations, practices and breaches involved personal dishonesty by Moats and demonstrate Moats' reckless disregard for the law and his unfitness to serve as a director, officer, or to otherwise participate in the conduct of the affairs of any insured depository institution.

COUNT FOUR:

WITHOUT BOARD AUTHORIZATION MOATS CAUSED ETCU TO PAY INSURANCE PREMIUMS FOR MOATS' PERSONALLY OWNED VEHICLE

77. Paragraphs 1 through 76, above, are re-alleged and are incorporated herein by reference.

78. ETCU provided vehicles for Moats' use during his employment at the Credit Union.

79. In or around 2016, Moats purchased one such vehicle, a 2009 Cadillac, from the Credit Union when the Credit Union purchased a new vehicle for his use.

80. Although he paid ETCU \$24,000 for the vehicle, Moats did not transfer title of the vehicle into his name, and instead left it titled in ETCU's name.

81. Prior to conservatorship, NCUA examiners noticed the 2009 Cadillac on the Credit Union's insurance policy.

82. On the evening that ETCU was placed into conservatorship, NCUA examiners inquired as to the location of the 2009 Cadillac in connection with their efforts to inventory Credit Union assets.

83. At that time Moats explained that he had purchased the vehicle from ETCU years earlier and that the vehicle was being stored at the home of ETCU member [REDACTED]

84. Moats maintained sole responsibility for acquiring and managing ETCU's insurance policies.

85. Moats added the 2016 Cadillac to ETCU's insurance policy after ETCU purchased it for his use, but did not remove the 2009 Cadillac from the policy and did not acquire a personal insurance policy covering the 2009 Cadillac.

86. When the 2016 Cadillac was involved in a total-loss collision in 2019, ETCU acquired a new vehicle for Moats, a 2019 Camaro.

87. Moats added the 2019 Camaro to ETCU's insurance policy, but still did not remove the 2009 Cadillac from the policy.

88. Moats intentionally caused the Credit Union to continue to pay insurance premiums for the 2009 Cadillac for approximately five years after he purchased it, with total premiums of approximately \$5,902.00 paid by the Credit Union.

89. This conduct by Moats constituted violations of law, unsafe or unsound practices and violated his fiduciary duties to ETCU. By reason of these violations, practices and breaches, Moats caused a financial loss to ETCU and a financial gain and unjust enrichment to Moats. These violations, practices and breaches involved personal dishonesty by Moats and demonstrate Moats' reckless disregard for the law and his unfitness to serve as a director, officer, and to otherwise participate in the conduct of the affairs of any insured depository institution.

NOTICE OF INTENTION TO PROHIBIT

A. Paragraphs 1 through 89, above, are re-alleged and incorporated herein by reference.

B. By and through Moats' foregoing acts, omissions, and practices committed within the five years preceding the date of this filing, Moats has violated the law, the Federal Credit Union Act and NCUA regulations, engaged in unsafe or unsound practices, and breached his fiduciary duties to ETCU.

C. By and through Moats' foregoing acts, omissions, and practices committed within the five years preceding the date of this filing, Moats caused a financial loss to ETCU and personally received financial gain for himself.

D. Moats' foregoing acts, omissions, and practices committed within the five years preceding the date of this filing involved personal dishonesty by Moats and demonstrate Moats' unfitness to serve as a director, officer, and to otherwise participate in the conduct of the affairs of any insured depository institution.

THEREFORE, Moats should be prohibited, pursuant to 12 U.S.C. § 1786(g), from serving as a director, officer, and to otherwise participating in the conduct of the affairs of any insured depository institution.

NOTICE OF INTENTION TO SEEK RESTITUTION

A. Paragraphs 1 through 89, above, are re-alleged and incorporated herein by reference.

B. Moats' conduct as described above involves violations of law and unsafe or unsound practices in conducting the business of ETCU and reflects a reckless disregard for the law.

C. By and through his foregoing acts, omissions, and practices, and violations, Moats was unjustly enriched.

D. Moats' violations of law and unsafe or unsound practices resulted in unjust enrichment to Moats of at least \$4,000,000, or such other amount supported by the evidence presented at hearing.

THEREFORE, Moats should be ordered, pursuant to 12 U.S.C. § 1786(e)(3), to make restitution to ETCU in the amount of at least \$4,000,000 or such amount found to be appropriate by the Administrative Law Judge ("ALJ") following the hearing.

NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTIES

A. Paragraphs 1 through 89, above, are re-alleged and incorporated herein by reference.

B. By and through Moats' foregoing acts, omissions, and practices committed within the five years preceding the date of this filing, Moats has violated the Federal Credit Union Act, federal law, and NCUA regulations.

C. By and through Moats' foregoing acts, omissions, and practices committed within the five years preceding the date of this filing, Moats recklessly engaged in unsafe and unsound practices in conducting the affairs of ETCU and breached his fiduciary duties to ETCU.

D. By and through Moats' acts, omissions, and practices committed within the five years preceding the date of this filing, Moats knowingly caused a substantial loss to ETCU and substantial pecuniary gain to himself.

THEREFORE, Moats should be ordered, pursuant to 12 U.S.C. § 1786(k)(2)(C), to pay a civil money penalty of at least \$1,000,000.

PRAYER FOR RELIEF

WHEREFORE, the NCUA Board seeks an Order: (1) permanently prohibiting Respondent Moats from participating in any manner in the conduct of the affairs of any federally insured depository institution, pursuant to 12 U.S.C. § 1786(g), and, by operation of 12 U.S.C. § 1786(g)(7)(D), the affairs of a federally insured depository institution, bank, or savings association; (2) compelling Respondent Moats to make restitution to ETCU in the amount of at least \$4,000,000, pursuant to 12 U.S.C. § 1786(e)(3)(A); and (3) assessing a civil money penalty in the amount of \$1,000,000, pursuant to 12 U.S.C. § 1786(k)(2)(C).

NOTICE OF HEARING

Respondent Moats is hereby notified that an evidentiary hearing will be held on a date to be set by the Office of Financial Institution Adjudication (“OFIA”), before an OFIA ALJ to determine whether the factual allegations and charges set forth above are true and, if so, whether just grounds exist to enter an Order: (1) permanently prohibiting Respondent Moats from participating in any manner in the conduct of the affairs of any federally insured depository institution, pursuant to 12 U.S.C. § 1786(g), and, by operation of 12 U.S.C. § 1786(g)(7), the affairs of a federally-insured depository institution, bank, or savings association; and (2) compelling Respondent Moats to make restitution to ETCU in the amount of at least \$4,000,000, pursuant to 12 U.S.C. § 1786(e)(3)(A).

Procedural and Dispositive Notices

A. This Notice of Charges may be amended or supplemented at any stage of the proceedings. 12 C.F.R. § 747.20(a).

B. Either party may move at any time for summary disposition in its favor of all or any part of the claims and damages in this proceeding. 12 C.F.R. § 747.29(b)(1).

C. An evidentiary hearing in this proceeding shall be held no earlier than sixty (60) days following service by Respondent of his Answer to this Notice of Charges and Notice of Hearing (or to any Amended Notice of Charges), except that if a party moves for summary disposition, the hearing shall be held no earlier than sixty (60) days following the ALJ's ruling on that motion. 12 C.F.R. § 747.20(a).

REQUIREMENT TO FILE AN ANSWER

A. You are required to file an Answer to this Notice of Charges within twenty (20) days of service of this Notice of Charges. 12 C.F.R. § 747.19(a).

B. Your Answer must state individually that, as to each of the allegations of fact set forth in the Notice of Charges, you either admit, deny, or lack sufficient information to admit or deny each such allegation of fact. General denials are not permitted. Any denial of fact must fairly meet the substance of the specific allegation of fact denied. Any allegation of fact in this Notice of Charges that is not denied in the Answer shall be deemed admitted for the purposes of these proceedings. 12 C.F.R. § 747.19(b).

C. Your Answer to this Notice of Charges must be timely filed in writing in duplicate with both:

Office of Financial Institution Adjudication
3501 N. Fairfax Drive
Suite VS-D-8118
Arlington, VA 22226
ofia@fdic.gov

- and -

Secretary of the Board
National Credit Union Administration
1775 Duke Street, 7th Floor
Alexandria, VA 22314

D. If you fail to file an Answer within the time prescribed, you will be deemed to have waived your right to appear and to contest the charges and allegations set forth above in this

Notice of Charges. Any final Order of the NCUA Board based upon your failure to file an Answer to this Notice of Charges will be deemed to be an Order issued upon consent. 12 C.F.R. § 747.19(c)(1).

Notice of Selected Other Temporal Provisions

E. In addition to other applicable statutory and regulatory provisions, please be aware of the following:

- 12 U.S.C. § 1786(g)(4) (prohibition--“hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after the date of service of such notice, unless an earlier or later date is set by the Board at the request of ... [such] person, and for good cause shown.”); and
- 12 U.S.C. § 1786(e)(1) (restitution--“hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier date or a later date is set by the Board at the request of any party so served.”)
- 12 U.S.C. § 1786(k)(2)(E) & (H) (civil money penalties--“person against whom any penalty is assessed under this paragraph shall be afforded an agency hearing **if such ... person submits a request for such hearing within 20 days after the issuance of the notice of assessment.**”) (Emphasis provided).

**NATIONAL CREDIT UNION
ADMINISTRATION BOARD**

By: Melane Conyers-Ausbrooks
Secretary of the Board

Dated: April __, 2023

(Certificate of Service will be filed separately)

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

In the Matter of	§	
	§	
	§	
Jeffrey B. Moats,	§	Docket No. 23-0109-SR
	§	
Former Institution-Affiliated Party of	§	12 U.S.C. §§ 1786(g), 1786(e), 1786(k)
Edinburg Teachers Credit Union	§	
Insurance Certificate No. 66366	§	
Edinburg, Texas.	§	
	§	

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on April __, 2023, I caused the forgoing "Notice of Charges, Notice of Assessment of Civil Money Penalty, and Notice of Hearing" to be served upon Jeffrey B. Moats, by delivering the same (per prior agreement) to John MacVane, Esquire, his attorney as follows:

By Federal Express and Email:
Mr. Jeffrey B. Moats
c/o John MacVane, Esquire
Rusty Hardin & Associates, LLP
1401 McKinney, Suite 2250
Houston, Texas 77010
jmacvane@rustyhardin.com

Robert F. Robine (NC Bar #45780)
Senior Trial Attorney
National Credit Union Administration
Office of General Counsel
1775 Duke Street, 6th Floor
Alexandria, VA 22314
(703) 518-1183 (office)
(703) 872-9931 (cell)
rrobine@ncua.gov

