



**DIVISION OF CREDIT UNIONS  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
STATE OF WASHINGTON**

IN THE MATTER OF:

TRANSPORTATION NORTHWEST  
CREDIT UNION  
SEATTLE, WASHINGTON

CU – 2010-03-17 CO  
CONSENT ORDER

The Assistant Director (Assistant Director) of the Division of Credit Unions (Division) of the Washington State Department of Financial Institutions (DFI), and TRANSPORTATION NORTHWEST Credit Union of Seattle, Washington (Credit Union), finding that the issues raised in this captioned matter may be economically and efficiently settled, agree to the provisions of this Consent Order. The Credit Union neither admits nor denies the [REDACTED] described herein. This Consent Order is issued pursuant to Chapter 31.12 of the Revised Code of Washington (“RCW”), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**I. Background**

- A. The Credit Union is a Washington-State chartered credit union organized JULY 12, 1954 and operating under Chapter 31.12 RCW, the Washington State Credit Union Act. The Credit Union is subject to examination, supervision, and enforcement actions by the Director of DFI and the Director’s delegate, the Assistant Director, pursuant to Chapter 31.12 RCW.
- B. The Division last examined the Credit Union as of [REDACTED]. The resulting Report of Examination is referred to below as the Exam Report. The Division alleges in the Exam Report that [REDACTED]. Division representatives have discussed these [REDACTED] with the CEO and directors and certain employees of the Credit Union.
- C. The Credit Union's shares and deposits are insured by the National Credit Union Share Insurance Fund (NCUSIF) administered by the National Credit Union Administration (NCUA), under Title II of the Federal Credit Union Act, 12 U.S.C. 1781 et seq. The Credit Union is subject to examination and supervision by the NCUA, and is subject to NCUA rules and regulations at 12 C.F.R. Part 741.

D. The directors and senior managers of a credit union have fiduciary duties to the credit union. RCW 31.12.267; see also Division Opinion Number 98-4.

E. [REDACTED]

F. [REDACTED]

## **II. Order**

A. The Credit Union agrees to take affirmative action as follows:

No later than **APRIL 17, 2010**, the CREDIT UNION shall enter into an agreement to merge the CREDIT UNION with and into an insured credit union. This agreement will be demonstrated by Merger Resolutions signed by the boards of both credit unions. The CREDIT UNION'S Board of Directors shall provide the Assistant Director and the NCUA Regional Director with a copy of the Merger Resolutions no later than APRIL 17, 2010. The merger agreement must be approved by the Assistant Director and the NCUA Regional Director and must comply with Chapter 31.12.461 RCW. The acceptability of the proposed transaction pursuant to this paragraph shall be determined following receipt of all of the documents applicable to the merger.

B. The provisions of this ORDER shall not bar, estop, or otherwise prevent the NCUA, the Department, or any federal or state agency from taking action against the CREDIT UNION, any of the CREDIT UNION'S current or former institution affiliated parties or agents for violations of any laws or regulations, and/or engaging in unsafe or unsound practices.

## **III. WAIVER**

To expedite the resolution of this matter in an economical and efficient manner, the parties agree to enter into this Consent Order. Accordingly, and in consideration of the detailed Examination Report, the parties waive receipt of a Notice of Charges in this matter. The parties also waive any and all administrative and judicial review of the issuance and provisions of this Consent Order and of the issues raised in this matter and the resolution reached in this Consent Order.

## **IV. OTHER MATTERS**

A. Pursuant to chapter 31.12 RCW, the parties agree that the Division has jurisdiction over the subject matter of the activities of the Credit Union discussed herein.

B. The parties agree to be bound by the terms and conditions of this Consent Order and enter into this Consent Order voluntarily. The parties represent and warrant to each other that they have the full power and right to execute this Consent Order.

- C. The parties understand that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Assistant Director, including but not limited to, enforcement of this Consent Order under RCW 34.05.578 or any other applicable statutes or rules. In the event of such legal action, the parties may be responsible to reimburse the Director for the costs incurred in pursuing such action, including but not limited to, attorney fees.
- D. The parties have read this Consent Order in its entirety and fully understand and agree to all of the same.
- E. Notwithstanding any other language of this Consent Order, the Division shall retain and reserve the full power and authority to take further legal actions under Chapter 31.12 RCW based on material violations of law, unsafe or unsound practices, or unsafe or unsound conditions by or at the Credit Union, or with the consent of the Credit Union, including but not limited to, the issuance of a temporary cease and desist order pursuant to RCW 31.12.595, the issuance of a notice of charges pursuant to RCW 31.12.585, issuance of a notice of intent to remove a person from office or conduct of the affairs of the credit union pursuant to RCW 31.12.575, or the appointment of a conservator, liquidating agent, and/or receiver pursuant to RCW 31.12.637 . Circumstances which may dictate further legal action by the Division include, without limitation, the presence of emergency circumstances such as an imminent or actual run on the Credit Union or other evidence of illiquidity which disable normal operation of the Credit Union.
- F. This Consent Order constitutes a “written agreement with the director” as contemplated by RCW 31.12.005(13).
- G. References in this Consent Order to sections or parts of statutes or rules include successors to such sections or parts.

This Consent Order is entered into and takes effect this 23 day of March, 2010. This date is referred to in this Consent Order as the Effective Date of this Consent Order.

**DIVISION OF CREDIT UNIONS  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
STATE OF WASHINGTON**

\_\_\_\_\_/s/\_\_\_\_\_  
Linda Jekel  
Assistant Director

**TRANSPORTATION NORTHWEST Credit Union:**

\_\_\_\_\_/s/\_\_\_\_\_  
Mia Waters, Board Chair

\_\_\_\_\_/s/\_\_\_\_\_  
Tess Curry, President/CEO

\_\_\_\_\_/s/\_\_\_\_\_  
Bob Josephson, Director

\_\_\_\_\_/s/\_\_\_\_\_  
Phil Fordyce, Director

\_\_\_\_\_/s/\_\_\_\_\_  
Debra Rubin, Director

\_\_\_\_\_/s/\_\_\_\_\_  
Guy Alston, Director

\_\_\_\_\_/s/\_\_\_\_\_  
Kim Henry, Director

\_\_\_\_\_/s/\_\_\_\_\_  
Robin Rolstad, Director

\_\_\_\_\_/s/\_\_\_\_\_  
Mark Schauer, Director

\_\_\_\_\_/s/\_\_\_\_\_  
Daryl Rush, Director