

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

IN THE MATTER OF)

BLAIR F. HADLEY)

An Institution Affiliated Party and)
Person Participating in the Affairs)
of the Deseret Federal Credit Union)

No. 91-1001VI

ORDER OF PROHIBITION

Pursuant to Section 206(i)(1) of the Federal Credit Union Act, 12 U.S.C. §1786(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 your affiliation with Deseret Federal Credit Union (DFCU) and your conviction of crimes involving personal dishonesty and breach of trust. 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.

On or about July 12, 1991, you pleaded guilty to, and were found guilty of, Counts I and II of a Felony Information filed on April 4, 1991 (a copy of the Information is attached to this Order and is incorporated by reference herein). You were convicted of violations of Title 18, United States Code, Section 1014, and of Title 26, United States Code, Section 7206(l). Both offenses, making a false statement to a federally insured financial institution and filing a false federal income tax return, occurred during your employment with Mountain West Savings and Loan Association in Utah. During a portion of 1987 and continuing into a portion of 1988, you were an affiliated party at DFCU, a federally chartered and insured credit union. During your affiliation with DFCU, you were an official with Frontier Mortgage, a company that packages and brokers mortgages. You maintained a desk at DFCU and performed mortgage services on behalf of DFCU. The offenses of which you were convicted involve 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.

According to the felony information to which you pleaded guilty, on January 2, 1987, you made a false statement and report to Mountain West Savings and Loan Association that the purchaser of a certain parcel of real estate was entitled to credit of \$19,500, when you knew that such statement and report was false. Additionally, the felony information alleges your 1986 income tax return stated you received income of \$102,664, when you knew you had in fact received substantially more income.

A conviction for the charge of false statement or report to a financial institution is a felony punishable by imprisonment of up to thirty years and a fine of up to \$1,000,000.00. A conviction for the false declaration in connection with an income tax return charge is a felony punishable by imprisonment of up to three years and a fine of up to \$100,000.00. On July 12, 1991, you were sentenced to imprisonment for twelve months for the false statement to a financial institution charge and to three years probation for the false income tax charge, in addition to payment of all back taxes, plus penalties, as well as payment of restitution of

\$111,000 to the Federal Deposit Insurance Corporation (a copy of the Judgement in a Criminal Case is attached to this Order and is incorporated by reference herein). Because you have not filed a notice of appeal within the time required, your conviction is now final.

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, Washington, D.C. 20456. This hearing will be held in Washington, D.C., in accordance with Subpart D of Part 747 of NCUA'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 _____ day of October 1991.

National Credit Union Administration
by

BECKY BAKER
Secretary of the Board

CERTIFICATE OF SERVICE

This is to certify that I have served the foregoing Order of Prohibition in the Matter of Blair F. Hadley by depositing the same with the U.S. Postal Service, certified mail, return receipt requested, addressed to Samuel Alba, the attorney of record for Mr. Hadley.

Date

Jon J. Canerday
Office of General Counsel
National Credit Union Administration