

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

In the Matter of

MARK E. KASSON

An Institution-Affiliated Party and
Person Participating in the Affairs of the
Credit Union Group Credit Union
Lawrence, Kansas

Respondent.

NCUA Docket No. 08-0002R4

FINAL ORDER OF PROHIBITION

WHEREAS Respondent MARK E. KASSON ("KASSON"), former Chief Executive Officer of Credit Union Group Credit Union,¹ charter number 67978, located in Lawrence, Kansas, was an "institution-affiliated party" of that credit union as defined by 12 U.S.C. § 1786(r);

WHEREAS KASSON entered a plea of guilty to one count of making a material false statement on the books and records of a credit union with the intention to defraud and mislead examiners, in violation of Title 18, United States Code, Section 1006, in United States District Court for the District of Kansas, and was sentenced on August 21, 2007, to imprisonment for three months, followed by supervised release for two years, and ordered to pay a fine in the amount of \$1,000.00. See "Judgment in a

¹ In July 2007, Credit Union Group Credit Union changed its name to "Free State Credit Union."

Criminal Case”, in UNITED STATES OF AMERICA v. MARK E. KASSON, Case Number 5:07CR40041-001-SAC, dated August 23, 2007. Because KASSON did not file an appeal within the required period, his conviction is now final;

WHEREAS a violation of Title 18, United States Code, Section 1006 is a felony involving dishonesty or breach of trust that is punishable by imprisonment for a term of up to thirty years;

WHEREAS the NCUA Board finds that KASSON'S service to or participation in the conduct of the affairs of a federally-insured credit union may pose a threat to the interests of the members of such credit union or may threaten to impair public confidence in such credit union; and

WHEREAS the NCUA Board has delegated authority to its Regional Directors to issue Final Orders of Prohibition on its behalf based upon a criminal conviction.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. MARK E. KASSON is prohibited from participating in any manner in the conduct of the affairs of any federally-insured credit union, and from continuing or commencing to hold any office, or participate in any manner, in the conduct of the affairs of any insured depository institution; any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) or (4), or as a savings association under 12 U.S.C. § 1818(b)(8); any insured institution chartered under 12 U.S.C. § 2001 et seq.; any appropriate Federal depository institution regulatory agency; the Federal Housing Finance Board and any Federal home loan bank; and the Resolution Trust Corporation. See 12 U.S.C. § 1786(g)(7)(A);

2. The "Judgment in a Criminal Case", in UNITED STATES OF AMERICA v. MARK E. KASSON, Case Number 5:07CR40041-001-SAC, dated August 23, 2007, is made a part hereof and is incorporated herein by reference; and

3. This Final Order of Prohibition shall be effective and enforceable on the date set forth below.

OPPORTUNITY FOR HEARING

Pursuant to 12 U.S.C. § 1786(i)(3), KASSON may request in writing, within 30 days of service of this Order, a hearing to present evidence and argument that his 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 such credit union's members or threaten to impair public confidence in such credit union. See 12 C.F.R. § 747.306, *et seq.* The NCUA Board will consider the criteria set forth at 12 C.F.R. § 747.311.

A request for a hearing must state with particularity the relief desired, the grounds therefor, and must include, when available, supporting evidence. The request must be sent to: Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

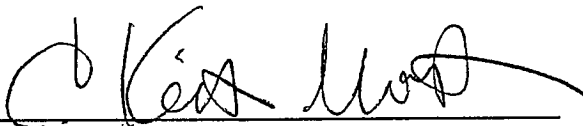
PENALTY FOR VIOLATION OF ORDER OF PROHIBITION

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 the violator 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.

IT IS SO ORDERED this 28th day of January 2008.

**NATIONAL CREDIT UNION
ADMINISTRATION BOARD**

By: 

C. KEITH MORTON
Regional Director, Region IV
National Credit Union Administration

United States District Court
District of Kansas

UNITED STATES OF AMERICA
v.
MARK E. KASSON

JUDGMENT IN A CRIMINAL CASE

Case Number: 5:07CR40041-001-SAC
USM Number: 15304-031

Defendant's Attorney Jason M. Hans

THE DEFENDANT:

- [x] pleaded guilty to count(s): 1 of a 1-count Information.
[] pleaded nolo contendere to count(s) ___ which was accepted by the court.
[] was found guilty on count(s) ___ after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

Table with 4 columns: Title & Section, Nature of Offense, Offense Ended, Count. Row 1: 18 U.S.C. § 1006, BANK FRAUD, 01/10/2006, 1

The defendant is sentenced as provided in pages 2 through 6 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- [] The defendant has been found not guilty on count(s) ___.
>[] Count(s) ___ (is)(are) dismissed on the motion of the United States.

IT IS ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant shall notify the Court and United States Attorney of material changes in economic circumstances.

08/21/2007
Date of Imposition of Judgment

s/ Sam A. Crow
Signature of Judge

Honorable Sam A. Crow, Senior U.S. District Judge
Name & Title of Judge

August 23, 2007
Date

DEFENDANT: MARK E. KASSON
CASE NUMBER: 5:07CR40041-001-SAC

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of three (3) months.

The Court makes the following recommendations to the Bureau of Prisons:

If eligible, the Court recommends designation to the Federal Correctional Institution in Tucson, Arizona.

The defendant is remanded to the custody of the United States Marshal.

The defendant shall surrender to the United States Marshal for this district.

at ___ on ___.

as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

before _ on _.

as notified by the United States Marshal.

as notified by the Probation or Pretrial Services Officer.

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to _____
at _____, with a certified copy of this judgment.

UNITED STATES MARSHAL

By _____
Deputy U.S. Marshal

DEFENDANT: MARK E. KASSON
CASE NUMBER: 5:07CR40041-001-SAC

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of two (2) years.

The defendant shall report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state, or local crime.

The defendant shall not unlawfully possess a controlled substance.

The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the Court.

- The above drug testing condition is suspended based on the Court's determination that the defendant poses a low risk of future substance abuse. (Check if applicable)
- The defendant is prohibited from possessing or purchasing a firearm, ammunition, destructive device, or any other dangerous weapon. (Check if applicable)
- The defendant shall cooperate in the collection of DNA as directed by the probation officer. (Check if applicable)
- The defendant shall register as a sex offender, and keep the registration current, in each jurisdiction where the defendant resides, where the defendant is an employee, and where the defendant is a student. For initial registration purposes only, the defendant shall also register in the jurisdiction in which convicted, if such jurisdiction is different from the jurisdiction of residence. Registration shall occur not later than 3 business days after being sentenced, if the defendant is not sentenced to a term of imprisonment. The defendant shall, not later than 3 business days after each change in name, residence, employment, or student status, appear in person in at least one jurisdiction in which the defendant is registered and inform that jurisdiction of all changes in the information required. (Check if applicable)
- The defendant shall participate in an approved program for domestic violence. (Check if applicable)

If this judgment imposes a fine or restitution, it is to be a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this Court as well as with any additional conditions on the attached page.

STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow instructions of the probation officer;
- 4) the defendant shall support his or her dependants and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training or other acceptable reasons;
- 6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substances or any paraphernalia related to any controlled substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

DEFENDANT: MARK E. KASSON
CASE NUMBER: 5:07CR40041-001-SAC

SPECIAL CONDITIONS OF SUPERVISION

1. The defendant shall immediately provide the probation officer with access to any and all requested financial information, to include executing any release of information forms necessary for the probation office to obtain and/or verify said financial information.
2. The defendant shall not incur new credit charges or open, or attempt to open, additional lines of credit, without the prior approval of the probation officer. The defendant shall also execute any release of information forms necessary for the probation officer to monitor the defendant's compliance with the credit restrictions.
3. The defendant shall not be employed in any capacity in which the defendant has discretionary authority over financial matters without the approval of the probation officer.
4. The defendant shall file truthful and complete federal and state income tax returns in a timely manner, according to law, and cooperate with the Internal Revenue Service and state tax authorities regarding any matter related to the defendant's past or present tax liability during the term of supervision.
5. The defendant shall be placed on home detention for a period of 3 months, to commence within 30 days of release from imprisonment. During the term of supervision the defendant shall remain at his place of residence except for employment and other activities approved in advance by the probation officer. As instructed by the probation officer, the defendant may be required to maintain a telephone at his place of residence without call forwarding, caller ID, call waiting, portable cordless telephones, answering machines/service, or any other feature or service which would interfere with the operation of electrical monitoring equipment for the above period. The defendant may be required to wear an electronic monitoring device, which may include Global Positioning System and/or Random Tracking, and follow electronic monitoring procedures specified by the probation officer. Additionally, the probation officer may restrict the defendant from certain areas within the community, and the defendant must comply with these restrictions. The defendant shall assist in the costs of home confinement, based on the ability to pay, at the direction of the probation officer.

DEFENDANT: MARK E. KASSON
CASE NUMBER: 5:07CR40041-001-SAC

CRIMINAL MONETARY PENALTIES

The defendant shall pay the total criminal monetary penalties under the Schedule of Payments set forth in this Judgment.

	Assessment	Fine	Restitution
Totals:	\$100	\$1,000	\$0

The determination of restitution is deferred until _____. An *Amended Judgment in a Criminal Case* (AO 245C) will be entered after such determination.

The defendant shall make restitution (including community restitution) to the following payees in the amounts listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Loss*</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
TOTALS:	\$ _____	\$ _____	

Restitution amount ordered pursuant to plea agreement \$ _____

The defendant shall pay interest on any fine or restitution of more than \$2,500, unless the fine or restitution is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options set forth in this Judgment may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

The court determined that the defendant does not have the ability to pay interest, and it is ordered that:

the interest requirement is waived for the fine and/or restitution.

the interest requirement for the fine and/or restitution is modified as follows:

* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: MARK E. KASSON
CASE NUMBER: 5:07CR40041-001-SAC

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties are due as follows:

- A Lump sum payment of \$ due immediately, balance due
 - not later than _____, or
 - in accordance with () C, () D, () E, or () F below; or
- B Payment to begin immediately (may be combined with () C, (X) D, or (X) F below); or
- C Payment in monthly installments of not less than 5% of the defendant's monthly gross household income over a period of ___ years to commence ___ days after the date of this judgment; or
- D Payment of not less than 5% of the funds deposited each month into the inmate's trust fund account and monthly installments of not less than 10% of the defendant's monthly gross household income over a period of 2 years, to commence 30 days after release from imprisonment to a term of supervision; or
- E Payment during the term of supervised release will commence within _ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F Special instructions regarding the payment of criminal monetary penalties:

If restitution is ordered, the Clerk, U.S. District Court, may hold and accumulate restitution payments, without distribution, until the amount accumulated is such that the minimum distribution to any restitution victim will not be less than \$25.

Payments should be made to Clerk, U.S. District Court, U.S. Courthouse - Room 259, 500 State Avenue, Kansas City, Kansas 66101.

Unless the Court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the Clerk of the Court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount Joint and Several Amount and corresponding payee, if appropriate.

Case Number
(including Defendant
Number)

Defendant Name

Joint and Several
Amount

The defendant shall pay the cost of prosecution.

The defendant shall pay the following court cost(s):

The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, (8) costs, including cost of prosecution and court costs.