

STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION

IN RE: BORDER LODGE CREDIT UNION)
) DOCKET NO. 12-050-B
)

**AMENDED ORDER REMOVING THE DIRECTORS, OFFICERS AND COMMITTEE
MEMBERS OF BORDER LODGE CREDIT UNION**

Pursuant to 8 V.S.A. § 30701(a)(5), this order removes all directors, officers, and committee members of Border Lodge Credit Union (“Border Lodge”). This Order is amended to correct the service list, and specifically the service address of Mr. Laurie McMullen.

Background

On November 30, 2012, the Commissioner seized Border Lodge with an *Ex Parte* Order for Conservatorship and Order for Related Matters, (“Conservatorship Order”), pursuant to 8 V.S.A. § 36103(a)(1) and (5). The Commissioner found that there was an immediate threat to the assets and depositors of Border Lodge, and took possession and control of the business and all assets of Border Lodge. Pursuant to 8 V.S.A. § 36103(f), the Commissioner, as conservator, assumed all the powers of the members, directors, officers, and committees of Border Lodge. In addition, the National Credit Union Administration Board, (“NCUA”) was appointed liquidating agent of Border Lodge.

Pursuant to 8 V.S.A. § 30701(a)(5), the Commissioner may remove any person who knowingly: violates this title or a lawful regulation or order issued under it; engaged in or participated in any materially unsafe or unsound practice in connection with a credit union; or engaged in any act, omission, or practice which is a breach of fiduciary duty to the credit union.

The Commissioner’s Letter and Notice of Proposed Order dated September 25, 2012 (“Commissioner’s Letter”) received by Ms. Debra Kinney and the directors of Border Lodge stated that there were concerns about unsafe or unsound practices in connection with Border

Lodge. The Commissioner's Letter also notified Ms. Kinney and the directors of Border Lodge that the credit union had failed to provide monthly account reconciliation reports as required under Vermont law. Despite these warnings, no corrective action was taken on behalf of Border Lodge.

Notice of Hearing Rights

Pursuant to 8 V.S.A. § 30701(c) and (d), any party served in this matter has 30 days to request that the Commissioner hold a hearing. A service list is attached to this order. If no hearing is requested, this order becomes final at the end of the 30 day period. The hearing on this order shall be private unless the Commissioner determines that a public hearing is necessary to protect the public interest.

ORDER

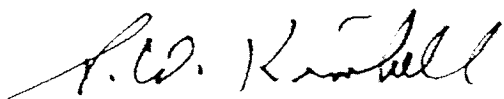
It is therefore ORDERED that:

1. The following persons are removed as directors and/or officers of Border Lodge:

Terrence Decker, Elizabeth Graves, Debra Kinney, James Kinney, Kenneth LaPlume,

Laurie McMullen and Linda Montague.
2. All committee members and committees of Border Lodge are removed and terminated.
3. If no hearing is requested, this removal order shall become final and effective within 30 days of service of this order.
4. All other terms and conditions of the Conservatorship Order remain unchanged and in full force and effect, including the authority of the NCUA as liquidating agent.

Entered at Montpelier, Vermont, this 21st day of December, 2012.



STEPHEN W. KIMBELL, Commissioner
Vermont Department of Financial Regulation