

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

IN THE MATTER OF THE PETITION
OF PATRICK M. MCPHARLIN,
DIRECTOR OF THE DEPARTMENT
OF INSURANCE AND FINANCIAL
SERVICES, FOR APPOINTMENT
OF A RECEIVER FOR VETERANS HEALTH
ADMINISTRATION CREDIT UNION,
DETROIT, MICHIGAN

No. 16-243-CR

HON. ~~JOYCE DRAGANCHUK~~

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ORDER APPOINTING RECEIVER

At a session of said Court
held in the Circuit Courtrooms
for the County of Ingham,
State of Michigan on the
29 day of March, 2016.

PRESENT: HONORABLE WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

This matter having come before the Court upon the Verified Petition for
Appointment of Receiver of Petitioner Patrick M. McPharlin, Director of the
Department of Insurance and Financial Services (DIFS); the Court having read and
considered the Verified Petition with supporting documentation; the Court having
determined, based upon the Verified Petition presented, that Veterans Health

Administration Credit Union, Detroit, Michigan, a Michigan-chartered credit union, is INSOLVENT as defined by Section 102(s)(ii) of the Michigan Credit Union Act of 2003 (MCUA), MCL 490.102(s)(ii), and is in an UNSAFE AND UNSOUND CONDITION as provided under Section 232(1) of the MCUA, MCL 490.232(1); the Court being satisfied that the continued operation of Veterans Health Administration Credit Union will jeopardize the safety of the funds of its depositors; the Court being further satisfied that appointment of the National Credit Union Administration as Receiver for Veterans Health Administration Credit Union is in the best interests of the public, the depositors, and the creditors; and the Court concluding that immediate consideration of the Verified Petition, as permitted by law, is needed to protect all interested parties;

IT IS THEREFORE ORDERED AND ADJUDGED that the National Credit Union Administration (NCUA) be and is hereby appointed Receiver without bond for Veterans Health Administration Credit Union pursuant to Section 232 of the MCUA, MCL 490.232, the Federal Credit Union Act, 12 USC 1751 *et seq.*, and the rules and regulations promulgated thereunder. This appointment is effective at 2:00 p.m. on Tuesday, March 29, 2016.

IT IS FURTHER ORDERED AND ADJUDGED that upon the acceptance of such appointment, the NCUA, as Receiver, shall possess all of the rights, powers and privileges provided by the laws of this State with respect to a receiver of a banking institution, as well as those provided in the Federal Credit Union Act, 12 USC 1751 *et seq.*, and the rules and regulations promulgated thereunder, and that

title to all of the assets, business, and property of Veterans Health Administration Credit Union, of every kind and nature, shall pass to and vest in the NCUA, as Receiver, without execution of any instruments or conveyance, assignment, transfer, or endorsement.

IT IS FURTHER ORDERED AND ADJUDGED that the NCUA, as Receiver, may liquidate and/or sell the assets of Veterans Health Administration Credit Union pursuant to the provisions of the Federal Credit Union Act, 12 USC 1751 *et seq.*, the MCUA (as applicable), MCL 490.101 *et seq.*, and the rules and regulations promulgated thereunder, and may take possession of all of its books, records, and assets of every description, collect all debts and claims belonging to Veterans Health Administration Credit Union, and, if necessary, pay the debts of the credit union and enforce the individual liability, if any, of the credit union's members, officers, and directors.

IT IS FURTHER ORDERED AND ADJUDGED that pursuant to Section 233 of the MCUA, MCL 490.233, Veterans Health Administration Credit Union and its directors, officers, and agents are required to turn over and deliver to the NCUA, as Receiver, all of the credit union's books, records, and assets of every description, and are hereby prohibited and restrained from any further transaction of Veterans Health Administration Credit Union's business, including but not limited to any disposition of Veterans Health Administration Credit Union's assets and property.

IT IS FURTHER ORDERED AND ADJUDGED that this order is entered upon consideration of the Verified Petition of the Director of DIFS, without hearing or

notice to the credit union, its depositors, creditors, or members, because MCL 490.232(2) expressly authorizes this immediate action without notice to any person. The Verified Petition is granted without hearing or notice for the additional reasons that: (a) giving notice would delay the Court in acting on the Verified Petition, which delay would likely destroy the opportunity for an advantageous sale of certain assets of Veterans Health Administration Credit Union and the assumption of its deposits and certain other liabilities, increasing the risk of financial loss to its members, creditors, the public, and/or the National Credit Union Share Insurance Fund; and (b) any delay may also prevent the prompt re-opening of the credit union by an assuming financial institution, thereby interrupting the continuation of banking services in the community served by the credit union and further jeopardizing the interests of the credit union's depositors and creditors.

IT IS SO ORDERED.

This Order resolves the last pending claim and closes the case.

WILLIAM E. COLLETTE

Honorable William E. Collette
30th Circuit Court Judge