

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the Matter of:

Barbara Thompson,

Enforcement Case No. 17-14756

Respondent
_____ /

Issued and entered
this 24th day of August, 2017,
by Teri L. Morante,
Chief Deputy Director

ORDER OF PROHIBITION

WHEREAS, Barbara Thompson (Thompson) executed a Stipulation and Consent to the Issuance of an Order of Prohibition (Stipulation), and agreed and consented to the issuance of this Order of Prohibition (Order), pursuant to Section 212 of the Michigan Credit Union Act (MCUA), 2003 PA 215, as amended, MCL 490.212; and,

WHEREAS, pursuant to the MCUA, 2003 PA 215, as amended, MCL 490.101 *et seq.*, the Administrative Rules promulgated thereunder, and applicable Orders, the Director of the Department of Insurance and Financial Services (Director) has authority to issue a final Order where Respondent consents to the issuance of such an Order.

NOW THEREFORE, the Director issues this Order and permanently prohibits Thompson from participation in the conduct of the affairs of any domestic credit union.

FURTHERMORE, this Order against Thompson incorporates by reference the Stipulation she executed on August 8, 2017, which is made a part of this Order and is effective upon issuance.

DEPARTMENT OF INSURANCE AND
FINANCIAL SERVICES

By: _____

Teri L. Morante

Chief Deputy Director

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

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**STIPULATION AND CONSENT TO THE ISSUANCE OF AN
ORDER OF PROHIBITION**

WHEREAS, the Department of Insurance and Financial Services (DIFS) has alleged, based upon information derived from the exercise of its regulatory responsibilities, that Barbara Thompson (Thompson) has engaged, in her capacity as the outside auditor of Veterans Health Administration Credit Union (VHACU), in conduct or practices that resulted in financial loss or other damage, or is otherwise unfit to participate in the conduct of the affairs of a domestic credit union, and there are grounds to initiate an administration prohibition proceeding against her, pursuant to MCL 490.212; and

WHEREAS, Thompson desires to cooperate with DIFS and to avoid the time, expense, and uncertainty of an administrative proceeding and, without adjudication on the merits and without admitting that such grounds exist, or the findings of fact or opinions and conclusions of DIFS, except as to Jurisdiction, Paragraph 1, below, which is admitted, hereby stipulates and agrees to the following:

1. Jurisdiction.

(a) At all times relevant hereto, Veterans Health Administration Credit Union (VHACU) was a domestic credit union chartered by the State of Michigan Department of Insurance and Financial Services, pursuant to the Michigan Credit Union Act (MCUA), 2003 PA 215, as amended;

(b) At all times relevant hereto, Thompson was retained by VHACU, as a qualified individual, to conduct independent audits of VHACU from 1998 to 2015, excluding 2014; and

(c) Therefore, Thompson stipulates and agrees that she and this matter are subject to the jurisdiction of the Director to initiate and maintain an administrative prohibition proceeding against her, pursuant to MCL 490.212.

2. DIFS Findings of Fact and Conclusions of Law.

(a) DIFS alleges that Thompson engaged in conduct or practices with respect to a domestic credit union that resulted in financial loss or other damage, or is otherwise unfit to participate in the conduct of the affairs of a domestic credit union. In particular, it is alleged that Thompson:

- i. Breached her fiduciary duty to a domestic credit union.
- ii. Made inaccurate audit reports to a domestic credit union.
- iii. Failed to identify financial system weaknesses in her audit reports to a domestic credit union.
- iv. Failed to comply with MCUA and NCUA rules and regulations.

(b) Based upon the foregoing, DIFS initiated proceedings to prohibit Thompson from further participation in any manner in the conduct of the affairs of any domestic credit union.

3. Consent.

While not admitting to the allegations, Thompson consents to the issuance by DIFS of the accompanying Order of Prohibition (Order). Thompson further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality.

The Order will be issued under MCL 490.212. Upon issuance by DIFS, it shall be a final order, effective immediately and fully enforceable by DIFS.

5. Waivers.

Thompson waives and relinquishes the following:

(a) The right to an administrative hearing on DIFS' charges which have been brought against her in this matter, as provided by MCL 490.212 and MCL 490.215;

(b) The right to seek judicial review of the stipulated Order in this matter, including, without limitation, any such right provided by MCL 24.301, or otherwise, to challenge the validity of the Order;

(c) The right to seek a stay of the prohibition pursuant to MCL 490.213; and

(d) The right to assert this proceeding, her consent to the issuance of the Order, or the issuance of the Order as the basis for a claim of double jeopardy in any pending or future proceeding brought by any other governmental entity.

6. Other Governmental Actions Not Affected.

Thompson acknowledges and agrees that the consent to the issuance of the Order is not to compromise, settle, dismiss, resolve, or in any way affect any other actions, charges against, or liability of Thompson that may hereafter arise pursuant to this action, or that may be or have been brought by any other governmental entity based upon the underlying facts and circumstances thereof.

7. Acknowledgement of Criminal Sanctions:

Thompson acknowledges that the Stipulation and Order are subject to the provisions of MCL 490.217.

8. Miscellaneous.

(a) The laws of the State of Michigan shall govern the construction and validity of the Stipulation and Order;


(b) Thompson understands and agrees that this Stipulation will be presented to the Director for approval. The Director may in his sole discretion, decide to accept or reject the Stipulation and Order. If the Director accepts the Stipulation and Order, Thompson waives the right to a hearing in this matter and consents to the entry of the Order. If the Director does not accept the Stipulation and Order, Thompson waives any objection to the Director holding a formal administrative hearing and making his decision after such hearing. In the latter case, Thompson may not be prejudiced by having signed this document;

(c) All reference to DIFS in the Stipulation and Order shall also mean any of DIFS' successors;

(d) If accepted by the Director, the terms of the Stipulation and Order represent the full and complete agreement of the parties in this matter; and

(e) If accepted by the Director, the Stipulation and Order shall remain in effect until terminated, modified, or set aside in writing by the Director.

WHEREFORE, Thompson executes this Stipulation and Consent to the Issuance of an Order of Prohibition intending to be legally bound hereby.



Barbara Thompson

Dated: 8/8/17

DIFS Staff approves this Stipulation and Consent and recommends that the Director issue the Consent Order of Prohibition.



Ryan Wilson (P35485)
Staff Attorney

Dated: 8/11/2017