

**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

_____ )	
In the Matter of )	Order No.: DC-09-01
)	
JULIA A. HUTCHISON )	Effective Date: July 6, 2009
)	
Former Employee and )	
Institution-Affiliated Party of )	
First Federal Savings & Loan Association )	
McMinnville, Oregon )	
OTS Docket No. 03773 )	
_____ )	

**ORDER OF PROHIBITION**

**WHEREAS**, Julia A. Hutchison (HUTCHISON) has executed a Stipulation and Consent to the Issuance of an Order of Prohibition (Stipulation); and

**WHEREAS**, HUTCHISON, by executing the Stipulation, has consented and agreed to the issuance of this Order of Prohibition (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 USC § 1818(e); and

**WHEREAS**, pursuant to delegated authority, the OTS Deputy Director of Examinations, Supervision and Consumer Protection (Deputy Director), is authorized to issue Orders of Prohibition where the individual has consented to the issuance of an order.

**NOW, THEREFORE, IT IS ORDERED that:**

**Prohibiton.**

1. HUTCHISON, except upon the prior written consent of OTS (acting through its Director or an authorized representative thereof) and any other “appropriate Federal financial institutions regulatory agency,” for purposes of 12 USC § 1818(e)(7)(B)(ii), shall not:
  - a. hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 USC § 1818(e)(7)(A), including, but not limited to:
    - i. any insured depository institution as defined in 12 USC § 1813(c);
    - ii. any institution treated as an insured depository institution under 12 USC §§ 1818(b)(3) and 1818(b)(4) and any subsidiary thereof, or treated as a savings and loan holding company under 12 USC § 1818(b)(9) and any subsidiary thereof;
    - iii. any insured credit union under the Federal Credit Union Act (12 USC §§ 1751 et seq.);
    - iv. any institution chartered under the Farm Credit Act of 1971 (12 USC §§ 2001 et seq.);
    - v. any appropriate Federal depository institution regulatory agency, within the meaning of 12 USC § 1818(e)(7)(D); and
    - vi. the Federal Housing Finance Board and any Federal Home Loan Bank;

- b. solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 USC § 1818(e)(7)(A);
- c. violate any voting agreement previously approved by the “appropriate Federal banking agency” within the meaning of 12 USC § 1813(q); or
- d. vote for a director, or serve or act as an “institution-affiliated party,” as that term is defined at 12 USC § 1813(u), for an insured depository institution.

**Effective Date, Incorporation of Stipulation.**

2. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

**Duration.**

3. This Order shall remain in effect until terminated, modified or suspended, by written notice of such action by OTS, acting by and through its authorized representatives.

**Compliance.**

4. HUTCHISON shall promptly respond to any request from OTS for documents to demonstrate compliance with this Order.

**IT IS SO ORDERED.**

**OFFICE OF THRIFT SUPERVISION**

By: 

Timothy T. Ward  
Deputy Director

Date: See Effective Date on page 1

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OTS Docket No. 03773 )	
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**STIPULATION AND CONSENT TO THE ISSUANCE OF AN  
ORDER OF PROHIBITION**

**WHEREAS**, the Office of Thrift Supervision (OTS), acting by and through its Deputy Director of Examinations, Supervision and Consumer Protection (Deputy Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Julia A. Hutchison (HUTCHISON), a former employee of First Federal Savings & Loan Association, McMinnville, Oregon OTS Docket No. 03773 (First Federal or the Association), that grounds exist to initiate an administrative prohibition proceeding against her pursuant to 12 USC § 1818(e); and

**WHEREAS**, the Deputy Director, pursuant to delegated authority, is authorized to issue Orders of Prohibition where the individual has consented to the issuance of an order; and

**WHEREAS**, HUTCHISON desires to cooperate with OTS and to avoid the time and expense of such administrative prohibition proceeding by entering into this Stipulation and Consent to the Issuance of an Order of Prohibition (Stipulation) and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of OTS, but only admitting the statements and conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees to the following:

**1. Jurisdiction.**

- a. First Federal is a “savings association” within the meaning of 12 USC § 1813(b) and 12 USC § 1462(4). Accordingly, the Association is an “insured depository institution” as that term is defined in 12 USC § 1813(c);
- b. HUTCHISON is a former employee of First Federal and is an “institution-affiliated party” as defined in 12 USC § 1813(u) and served in such capacity within six (6) years of the Effective Date as shown on the first page (see 12 USC § 1818(i)(3)); and
- c. Pursuant to 12 USC § 1813(q), the Director of OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative prohibition proceeding against savings associations and institution-affiliated parties.  
  
Therefore, HUTCHISON is subject to the jurisdiction of OTS to initiate and maintain an administrative prohibition proceeding against her pursuant to 12 USC § 1818(e).

**2. OTS Findings of Fact.**

HUTCHISON had been employed as an employee at First Federal at all times pertinent to the events described herein. OTS finds that HUTCHISON, between January 2008 and February

2009, executed a check-kiting scheme that fraudulently inflated her account balances with the First Federal and OnPoint Community Credit Union, Portland, Oregon. By the time that this fraudulent activity was discovered HUTCHISON had issued at least 148 checks with a total face value of \$38,389.00 in furtherance of this check-kiting scheme. Accordingly:

- a. HUTCHISON has, directly or indirectly, violated (as defined in 12 USC § 1813(v)) a law or regulation, and/or a final cease-and-desist order, and/or a condition imposed in writing by a Federal banking agency in connection with the grant of an application or other request by the Association, and/or any written agreement between the Association and OTS; and/or engaged or participated in any unsafe or unsound practices in connection with the Association; and/or committed or engaged in any act, omission, or practice which constitutes a breach of her fiduciary duty;
- b. And, by reason of such violation, practice, or breach by HUTCHISON, the Association has suffered or will probably suffer financial loss or other damage; and/or the interests of the Association's depositors have been or could be prejudiced; and/or HUTCHISON has received financial gain or other benefit by reason of such violation, practice, or breach;
- c. And, such violation, unsafe or unsound practice, or breach by HUTCHISON: involves personal dishonesty on the part of HUTCHISON; and/or demonstrates willful or continuing disregard by HUTCHISON for the safety or soundness of the Association.

**3. Consent.**

HUTCHISON consents to the issuance by OTS of the accompanying Order of Prohibition (Order). HUTCHISON further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

**4. Finality.**

The Order is issued by OTS under 12 USC § 1818(e) and upon the Effective Date it shall be a final order, effective and fully enforceable by OTS under the provisions of 12 USC § 1818(i).

**5. Waivers.**

HUTCHISON waives the following:

- a. The right to be served with a written notice of OTS's charges against her as provided by 12 USC § 1818(e) and 12 CFR Part 509;
- b. The right to an administrative hearing of OTS's charges against her as provided by 12 USC § 1818(e) and 12 CFR Part 509;
- c. The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 USC § 1818(h), or otherwise to challenge the validity of the Order; and
- d. Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes or otherwise.

**6. OTS Authority Not Affected.**

Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting HUTCHISON if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

**7. Other Governmental Actions Not Affected.**

HUTCHISON acknowledges and agrees that her consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 6 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of HUTCHISON that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

**8. Acknowledgment of Criminal Sanctions.**

HUTCHISON acknowledges that the Stipulation and Order are subject to the provisions of 12 USC § 1818(j), which includes potential imprisonment of not more than five (5) years and/or a fine of not more than \$1,000,000 for her knowing participation, directly or indirectly, in any manner, in the conduct of the affairs of an institution as set forth in the Order.

**9. Miscellaneous.**

- a. The laws of the United States of America shall govern the construction and validity of this Stipulation and the Order;
- b. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in

any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise;

- c. All references to OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns;
- d. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order;
- e. The terms of this Stipulation and the Order represent the final agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters; and
- f. This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by OTS, acting through its Regional Director, or other authorized representative.

**WHEREFORE**, HUTCHISON executes this Stipulation.

Accepted by:

**Julia A. Hutchison**

**OFFICE OF THRIFT SUPERVISION**

By: \_\_\_\_\_

Julia A. Hutchison

By: \_\_\_\_\_

Timothy T. Ward  
Deputy Director

Date: See Effective Date on page 1