



Department of Banking and Finance

2990 Brandywine Road, Suite 200

Atlanta, Georgia 30341-5565

770-986-1633

www.gadbf.org

Sonny Perdue
Governor

David G. Sorrell
Commissioner

November 30, 2004

Via U.S. Certified Return Receipt #7002-3150-0003-8020-5899
and Facsimile 770-752-8795

"Prudential Savings & Credit Union"
626 Mansell Road
Suite 420
Alpharetta, Georgia 30004

RE: Order to Cease and Desist

Dear Directors, Officers and Employees:

Since we did not hear from you by Monday, November 29, 2004, we are enclosing the Order to Cease and Desist (Order) as referenced in our letter of November 18, 2004. The Order is effective November 30, 2004.

Sincerely,

A handwritten signature in cursive script that reads "Grace M. Lurry".

Grace M. Lurry, CFE, CEM
Deputy Commissioner for Supervision
Phone: (770) 986-1646
Fax: (770) 986-1654

sw

Enclosure

cc: National Credit Union Administration
Credit Union National Association
Georgia Credit Union Affiliates
Federal Deposit Insurance Corporation
Federal Reserve Board
Georgia Secretary of State
Ms. Ellen Cameron
Georgia Office of Attorney General
Mr. Bo Fears

FINANCIAL INSTITUTION ORDER TO CEASE AND DESIST

The Department of Banking and Finance of the State of Georgia ("Department") has the authority pursuant to O.C.G.A. Section 7-1-91(d) and O.C.G.A. Section 7-1-5 to issue a Cease and Desist Order to any financial institution which has violated any law of this state or any order or regulation of the Department, to any financial institution which is conducting business in an unsafe or unauthorized manner, or to any person or corporation conducting business as a financial institution without authority under Chapter 1 of Title 7 of the Official Code of Georgia. On November 18, 2004, this Department sent a letter to the Directors, Officers and Employees of "Prudential Savings & Credit Union" ("Prudential"), informing Prudential of these concerns and requesting immediate action.

Prudential is in violation of Georgia Statute and conducting a business in an unauthorized manner as follows:

- Prudential is a company that, according to documentation obtained by the Georgia Department of Banking and Finance, is providing financial services from at least one address in Georgia - 626 Mansell Road, Suite 420, Alpharetta, Georgia 30004. This documentation indicates that Prudential may be conducting a banking or credit union business in Georgia without authority, which is in violation of O.C.G.A. Section 7-1-241.
- Prudential, by use of the words "Credit Union," purports to be either a state chartered credit union, a federally chartered credit union, or a credit union chartered by a foreign country. The Department has found no evidence that Prudential is either state or federally chartered. If Prudential is a credit union chartered and located in a foreign country this credit union has not been authorized pursuant to O.C.G.A. Section 7-1-713 to conduct business in Georgia as an international agency or representative office.
- Prudential is not authorized pursuant to O.C.G.A. Section 7-1-242 to act lawfully as a corporate fiduciary in the State of Georgia or authorized to conduct a banking business in this state. Prudential does not meet one of the corporate fiduciary exceptions contained under O.C.G.A. Section 7-1-242.

Therefore the Georgia Department of Banking and Finance, pursuant to O.C.G.A. Section 7-1-91 and 7-1-5, **does hereby Order "Prudential Savings & Credit Union," its successors and assigns and the officers, employees and directors thereof, to Cease and Desist violations of Georgia Law and the conduct of business in an unsafe or unauthorized manner and to take the following actions:**

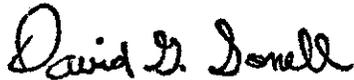
- 1) Prudential shall immediately cease indicating in any internet website, marketing materials, signage, correspondence, or legal documentation that could reach Georgia consumers that it is a credit union, and that it is authorized to do business in Georgia.

- 2) Prudential shall cease using the name "Credit Union", "Bank", "Banking Company", "Banker", "Banking House" or any similar terminology in the above materials, in reference to activities conducted in the State of Georgia.
- 3) Prudential shall not conduct a banking business unless it demonstrates that it is authorized to conduct a banking business in accordance with the provisions of federal or state law. O.C.G.A. Section 7-1-241 specifies that only a state chartered bank, a national bank, a federally chartered thrift, credit union or other agency otherwise authorized by Georgia Law may do a banking business in this state.
- 4) Prudential shall not provide financial products or services to the citizens of this State by any delivery system, to include the internet, or other electronic access to financial products or services or alternative methods of delivery which differ from geographically based banking without the authorization of the Georgia Department of Banking and Finance, pursuant to O.C.G.A. Section 7-1-241(c).
- 5) If Prudential is a credit union chartered or licensed in a foreign country, this foreign corporation shall not transact a banking business or maintain an office in this State for carrying on such business or any part thereof without the authorization of this activity by the Department in accordance with Section 7-1-713 of the Code of Georgia.
- 6) **Representatives of Prudential shall respond to the Department by December 6, 2004, indicating the actions taken regarding compliance with the provisions of this Order. The Department may take further legal action through the State Attorney General as authorized by law.**

The above provisions are effective on the date of issuance of this Order.

November 30, 2004

Date



David G. Sorrell, Commissioner
State of Georgia Department of Banking and Finance



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Sonny Perdue
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November 18, 2004

DELIVERY VIA FAX 770-752-8795 AND CERTIFIED MAIL

Officers, Directors and Employees
"Prudential Savings & Credit Union"
626 Mansell Road, Suite 420
Alpharetta, Georgia 30004

Dear Officers, Directors and Employees:

It has come to the attention of the Georgia Department of Banking and Finance (Department) that you may be conducting a banking business under the name of "Prudential Savings & Credit Union". The Department, which is responsible for supervising financial institutions in Georgia, has no record of your company and no indication of your company's authority to conduct a banking or credit union business in Georgia.

Section 7-1-241 of the Official Code of Georgia, Annotated, states no person or corporation may lawfully engage in this state in the business of banking or receiving money for deposit or transmission or lawfully establish in this state a place of business for such purpose, except a bank, a national bank, a credit union, a licensee engaged in selling checks, an international banking agency, a building and loan association, or a savings and loan association. The Georgia Residential Mortgage Act, enacted in 1993, requires licensing or registration of every person who brokers a loan or lends money for a loan secured by residential real estate that is located in Georgia, and that is used as the principal residence of a natural person, unless such person is expressly exempted by the Act

It is imperative that you immediately contact the Department and provide information regarding your operations in Georgia. If you do not have the legal authority to conduct a banking business in Georgia, you must immediately cease from conducting a banking business and you must immediately cease using "credit union" in your company name. **If we do not receive a response from you by Monday, November 29, 2004, the Department intends to issue a Cease and Desist Order against "Prudential Savings & Credit Union".**

Sincerely,

Murali Ramachandran
Corporate Manager, Financial Institutions
Phone: (770) 986-1645; Fax: (770) 986-1655

cc: National Credit Union Administration
Credit Union National Association
Georgia Credit Union Affiliates
Federal Deposit Insurance Corporation
Federal Reserve Board
Georgia Secretary of State