



## ***Department of Banking and Finance***

*2990 Brandywine Road, Suite 200*

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*770-986-1633*

[www.qadbf.org](http://www.qadbf.org)

*Sonny Perdue*  
*Governor*

*David G. Sorrell*  
*Commissioner*

### **FOR IMMEDIATE RELEASE**

**August 5, 2003**

### **ENTITY UNAUTHORIZED TO DO BUSINESS IN THE STATE OF GEORGIA**

Be advised that ZURICH CREDIT UNION (Zurich) which allegedly has an address of 905 Hays Mill Road, Carrollton, GA is not a credit union authorized to do business in the State of Georgia. Effective August 1, 2003, a Cease and Desist Order was issued against this entity directing them to do the following:

- 1) Immediately cease indicating in any internet website, marketing materials, signage, correspondence or legal documentation that could reach Georgia consumers that this entity is a credit union and that it is authorized to do business in the State of Georgia.
- 2) Cease using the term "Credit Union", "Bank", "Banker", "Banking House" or any similar terminology in reference to activities conducted in the State of Georgia.
- 3) Zurich shall not provide financial products or services to the citizens of this State by any delivery system, to include the Internet, or other electronic methods of delivery.
- 4) If Zurich Credit Union is a credit union licensed or chartered in a foreign country, it may not transact a banking business or maintain an office in this State without the authorization of the Department of Banking and Finance in accordance with Section 7-1-713 of the Code of Georgia.
- 5) Representatives of this entity shall respond to the Department by not later than August 5, 2003 indicating the actions taken to comply with the provisions of this Order.

If any Georgia Citizens believe that this entity has violated any provisions of the Cease and Desist Order after the effective date of the Order (August 1, 2003) you are encouraged to contact the Department in writing. Please direct these inquiries and any other questions concerning these issues to Deputy Commissioner for Supervision Grace M. Lurry.



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### **ORDER TO CEASE AND DESIST**

The Department of Banking and Finance of the State of Georgia 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 July 29, 2003, this Department sent a letter to the Directors, Officers and Employees of Zurich Credit Union ("Zurich"), informing Zurich of these concerns and requesting immediate action. Zurich is currently marketing services via the Internet and providing a Georgia address to customers and potential customers.

Zurich is in violation of Georgia statute and conducting a business in an unauthorized manner as follows:

- Zurich is a company which, according to documentation obtained by the Georgia Department of Banking and Finance, is providing financial services at least one address in Georgia, 905 Hays Mill Road, Carrollton, GA 30117-9576. This information also determined that Zurich is marketing these financial services via the Internet and providing the above Georgia address to customers and potential customers. This documentation indicates that Zurich 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.
- Zurich, 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 Zurich is either state or federally chartered. If Zurich 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.
- Zurich 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. Zurich does not meet one of the corporate fiduciary exceptions contained under O.C.G.A. Section 7-1-242.

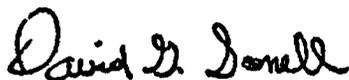
Therefore the Georgia Department of Banking and Finance, pursuant to O.C.G.A. Section 7-1-91 and 7-1-5 **does hereby Order Zurich Credit Union, its successors and assigns and the officers, employees and directors thereof, to Cease and Desist violations of Georgia Law and the conduct of business in an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

- 1) Zurich 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) Zurich 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) Zurich 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) Zurich 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 Zurich 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 Zurich shall respond to the Department by August 5, 2003, 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.

August 1, 2003

Date



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