



## Department of Banking and Finance

2990 Brandywine Road, Suite 200

Atlanta, Georgia 30341-5565

770-986-1633

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

Sonny Perdue

Governor

May 14, 2004

David G. Sorrell

Commissioner

**DELIVERY VIA US CERTIFIED RETURN RECEIPT NUMBER 7002 3150 0003 8020 6032 AND  
FAX 1-866-291-4196**

Officers, Directors and Employees

Chelsea Aaron

Eric Chambers

"Heartland Credit Union"

P. O. Box 2793

Cartersville, Georgia 30120

Dear Officers, Directors and Employees:

**RE: Order to Cease and Desist**

Dear Directors, Officers and Employees:

Since we did not hear from you by Monday, May 10, 2004, we are enclosing the Order to Cease and Desist (Order) as referenced in our letter of April 30, 2004. The Order is effective May 17, 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

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 April 30, 2004, this Department sent a letter to the Directors, Officers and Employees of Heartland Credit Union ("Heartland"), informing Heartland of these concerns and requesting immediate action. Heartland has attempted to advertise itself as a credit union, based on correspondence received by this Department, and has provided a Georgia address to customers and potential customers.

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

- Heartland is a company that, according to documentation obtained by the Georgia Department of Banking and Finance, is advertising financial services from at least one address in Georgia – P. O. Box 2793; 5821 Jerry Court; Cartersville, Georgia 30120. This documentation indicates that Heartland 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.
- Heartland, 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 Heartland is either state or federally chartered. If Heartland 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.
- Heartland 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. Heartland 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 Heartland 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) Heartland 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) Heartland 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) Heartland 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) Heartland 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 Heartland 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 Heartland shall respond to the Department by May 31, 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.

## MORTGAGE ORDER TO CEASE AND DESIST

Pursuant to Section 7-1-1018 of the Georgia Residential Mortgage Act, the Georgia Department of Banking and Finance hereby orders Heartland Credit Union to cease and desist from engaging in mortgage brokerage activities without a valid license or pursuant to an applicable exemption in violation of O.C.G.A. Section 7-1-1002.

This part of the Order shall be final thirty days from the date of issuance, per O.C.G.A. Section 7-1-1018. However, if Heartland Credit Union provides the Department with evidence of a valid license or applicable exemption within this thirty-day period, the Department may rescind this mortgage part of the Order. Should you have any questions concerning mortgage activities, please contact Carol J. Grafman, Assistant Attorney, at (770) 986-1648.

May 14, 2004

Date

David G. Sorrell by GML

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



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