

ALABAMA CREDIT UNION ADMINISTRATION

In Re:

**RIVERDALE CREDIT UNION,
Selma, ALABAMA**

§
§
§
§
§
§
§

**ORDER OF CONSERVATORSHIP
File Number: 2017: C01**

ORDER OF CONSERVATORSHIP 2017: C01

(1) Riverdale Credit Union, (the “Credit Union”) Selma, Alabama is a credit union organized and operating under the laws of the State of Alabama.

(2) The Alabama Credit Union Administration (the “Administration”) has supervisory authority over the Credit Union pursuant to the provisions of Chapter 17 of Title 5 of the Code of Alabama.

(3) Pursuant to Alabama Code § 5-17-8(f), the Administrator of the Alabama Credit Union Administration (the “Administrator”) is authorized, under certain conditions and with the approval of a majority of the Credit Union Board of the Administration (the “Credit Union Board”), ex parte and without notice, to appoint the Administration as conservator and immediately take possession and control of the business and assets of any state-chartered credit union in any case in which any one of the following occurs:

(a) The Administration determines that the action is necessary to conserve the assets of any state-chartered credit union or the interests of the members of the credit union.

(b) A credit union, by resolution of its board of directors, consents to the action by the Administration.

(c) There is a willful violation of a cease-and-desist order which has become final.

(d) There is concealment of books, papers, records, or assets of the credit union or refusal to submit books, papers, records, or affairs of the credit union for inspection to any examiner or to any lawful agent of the Administration.

(4) At a duly called meeting of the Credit Union Board held on May 22, 2017 (the “May 22, 2017 Meeting”), the Credit Union Board considered certain facts and circumstances, including without limitation those facts and circumstances as set forth in that certain Confidential Addendum A to Order of Conservatorship 2017:C001 - Statement of Grounds for Conservatorship (collectively with all Confidential Exhibits thereto, the “Confidential Addendum”), which Confidential Addendum is incorporated herein by reference, and materials presented by the Administration to the Board at the May 22, 2017 Meeting .

(5) The Credit Union Board, at the May 22, 2017 Meeting, determined that the facts and circumstances forming the basis for the exercise of statutory conservatorship authority, as set forth in the Confidential Addendum, constitute sufficient grounds for the Administrator to appoint the Administration as conservator and immediately take possession and control of the business and assets of the Credit Union pursuant to the provisions of Ala. Code § 5-17-8(f).

(6) The Credit Union Board, at the May 22, 2017 meeting further approved, authorized and directed the Administrator, ex parte and without notice, to appoint the Administration as conservator and to take possession and control of the business and assets of the Credit Union, and authorized and directed the Administration and Administrator to exercise all relevant statutory authority in connection therewith.

(7) The Credit Union Board, having received a Consent Resolution from the Credit Union also accepted the Credit Union’s voluntary action consenting to the appointment of the Administration as conservator with authority to take possession and control of the assets of the Credit Union.

THEREFORE, IT IS HEREBY ORDERED that the Administration is hereby appointed as conservator of the Credit Union ("Conservator") with authority to take possession and control of the business and assets of the Credit Union on June 22nd, 2017, and to exercise all relevant statutory authority in connection therewith.

ORDERED FURTHER, that the Administrator or Assistant Administrator are authorized and directed to act for and on behalf of the Administration in its capacity as Conservator, and to exercise on behalf of the Conservator all relevant statutory authority in connection therewith, and that any action by the Administrator, Assistant Administrator, or any agent of the Administration duly appointed to effect the intent of this Order is hereby ratified and approved, and that the officers and agents of the Administration are authorized to take such further actions, and to execute and deliver for and in the name of the Administration, such other documents as are necessary or appropriate in order to effect the intent of this Order, and the taking of any such actions and the execution and delivery of any such documents are hereby ratified and approved.

So Ordered this 22nd day of June, 2017.


ALABAMA CREDIT UNION ADMINISTRATION

A handwritten signature in cursive script, appearing to read "Sarah H. Moore", written over a horizontal line.

Sarah H. Moore
Administrator

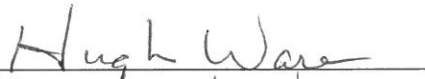
Certificate of Service

I certify that on this 22nd day of June 2017, I served the foregoing Order of Conservatorship 2017:C01 upon Riverdale Credit Union by personally delivering a copy of said Order to Riverdale Credit Union.


Name: Sarah H. Moore
Title: Administrator

Acknowledgement of Receipt

I hereby acknowledge that on this 22nd day of June 2017, I personally received a copy of Order of Conservatorship 2017:C01 issued with respect to Riverdale Credit Union.


Name: Hugh Ware
Title: Director, Treasure

**UNITED STATES OF AMERICA
NATIONAL CREDIT UNION ADMINISTRATION
Alexandria, Virginia**

In the Matter of the
Conservatorship of

RIVERDALE CREDIT UNION

Charter No. 62843

NCUA Docket No. 17-0069-R3

ORDER OF CONSERVATORSHIP

To: The Alabama Credit Union Administration,
as Conservator for Riverdale Credit Union, and on behalf of
the former Board of Directors and Officials
198 Highland Avenue
Selma, Alabama 36701

Notice is hereby given that, pursuant to Section 206(h)(1)(A) of the Federal Credit Union Act ("the Act"), 12 U.S.C. § 1786(h)(1)(A), and independently pursuant to Section 206(h)(1)(E) of the Act, 12 U.S.C. § 1786(h)(1)(E), the National Credit Union Administration Board ("NCUA Board") has appointed itself Conservator of Riverdale Credit Union (Riverdale CU), Charter No. 62843, a federally-insured credit union, for the reasons set forth in the Confidential Statement of Grounds for Conservatorship ("Confidential Statement"), which is incorporated herein by reference for all purposes.

By this appointment, the NCUA Board as Conservator is exercising its lawful authority to *ex parte*, and without notice, immediately take possession and control of the business, assets, facilities, and records of Riverdale CU. This appointment follows the issuance on this date of an Order of Conservatorship by the Administrator of the Alabama Credit Union Administration (ACUA) pursuant to *Ala. Code* § 5-17-8. The ACUA Order appointed the ACUA as Conservator and the ACUA appointed NCUA as its Agent and transferred all its authority under the *Code of Alabama* Title 5, Chapter 17 and expressly released all books, assets and property of Riverdale to NCUA as its Agent.

Pursuant to Sections 206(h)(5) and (h)(8), 12 U.S.C. §§ 1786(h)(5) and (h)(8), this Order is effective upon service and the Conservator is forthwith vested with all powers of the members, the directors, the officers and the committees of Riverdale CU. The Board of Directors and

management are ordered forthwith to cease all activity on behalf of Riverdale CU. Any business purportedly conducted on behalf of Riverdale CU following service of this Order may subject the members of the Board of Directors and management to civil and/or criminal liability.

The Board of Directors of Riverdale CU, its officers, employees and agents, are hereby ORDERED immediately to turn over and release to the duly appointed Agent and sub-agents for the Conservator all books, records, accounts, documents, attorney work product, assets and property, both real and personal, of every description, belonging to Riverdale CU.

Appointment of Agent and Sub-Agents of Conservator

Pursuant to Section 206(h)(6), 12 U.S.C. § 1786(h)(6), Myra M. Toeppe, Regional Director of NCUA Region III, and her successor(s), are hereby appointed Agent for the NCUA Board as Conservator of Riverdale CU. The following persons are hereby appointed sub-agents of the Agent for the NCUA Board as Conservator:

Joseph W. Ostrowidzki, Associate Regional Director - Operations
Mark D. Cantor, Director of Special Actions
Kim Brown, Problem Case Officer
Hector Noriega, Problem Case Officer

The Agent for the NCUA Board as Conservator is authorized to appoint by letter such additional sub-agents as she deems necessary.

Authority of Agent and Sub-Agents for the NCUA Board as Conservator

The Agent for the NCUA Board as Conservator and her sub-agents each possess all the authority delegable to such agents of the NCUA Board under Sections 207(b)(2), (b)(12) - (16), (c), (g), and (h), 12 U.S.C. §§ 1787(b)(2), (b)(12) - (16), (c), (g), (h), including but not limited to the authority to:

- (a) maintain possession and control of the business, assets, records, and property of Riverdale CU;
- (b) sell, enforce collection of and liquidate all such assets and property;
- (c) operate, manage and transact the business of Riverdale CU;
- (d) repudiate agreements, contracts and leases to which Riverdale CU is a party;
- (e) compound all bad and doubtful debts;
- (f) make distribution and payment to creditors and members as their interests may appear;

- (g) sue in the name of the Conservator or its Agent or in the name of Riverdale CU;
- (h) defend such actions as may be brought against the Conservator, its Agent or Riverdale CU;
- (i) receive, examine, and pass upon claims made against Riverdale CU;
- (j) execute such documents on behalf of Riverdale CU and to do such other things as may be necessary to conduct the business of Riverdale CU;
- (k) assign, extend, discharge in whole or in part, or foreclose (including making an entry to foreclose) any mortgage or real or personal property standing in the name of Riverdale CU individually or held by Riverdale CU in any fiduciary capacity, and to subordinate the lien of any such mortgage to any other mortgage, lease, or other interest, and to initiate and to defend any action with respect to any such mortgage;
- (l) sell, lease, convey, grant assessments or other interest in, enter agreements with respect to, and to initiate and to defend any action with respect to any real estate acquired by Riverdale CU individually, by virtue of the foreclosure, or held by Riverdale CU in any fiduciary capacity;
- (m) sign, seal with the corporate seal, acknowledge and deliver all pleadings, affidavits, deeds, contracts, releases, discharges, certificates, leases, assents, grants, and other instruments necessary or appropriate to carry out the foregoing powers, and such execution shall in each case be conclusive as to the authority of the executing officer.

Grounds for Conservatorship

Pursuant to Section 206(h)(1)(A), 12 U.S.C. § 1786 (h)(1)(A), the NCUA Board has determined that conservatorship is necessary [i] to conserve Riverdale CU's assets, [ii] to protect the interest of its members, and [iii] to protect the National Credit Union Share Insurance Fund ("Insurance Fund").¹ Independently, pursuant to Section 206(h)(1)(E), 12 U.S.C. § 1786 (h)(1)(E), the NCUA Board has determined that conservatorship is necessary because Riverdale CU has [i] concealed books, papers, records, and assets of Riverdale CU, and [ii] evidence exists of illegal or unsafe practices and NCUA staff cannot determine the full ramifications of this activity.² The factual bases for imposing this conservatorship are summarized in the Confidential Statement, which is incorporated by reference for all purposes in and to this Order.

¹ Each of these three determinations are independent of one another.

² Each of these two determinations are independent of one another.

Non-Publication of Grounds for Conservatorship

Because Riverdale CU will continue to operate during the conservatorship, public disclosure of the nature of the grounds supporting this Order (as set forth in the Confidential Statement) could cause damage to Riverdale CU or otherwise undermine the ability of the Conservator to maintain normal operations of Riverdale CU, to protect its assets, the interests of its members, the Insurance Fund, and others. Accordingly, it is hereby ORDERED that the contents of the Confidential Statement shall not be disclosed or otherwise made public except to the extent authorized by the Agent or sub-agents for the Conservator or as otherwise ordered by a court of competent jurisdiction.

Opportunity to Consent or to Apply For Relief

The Board of Directors of Riverdale CU previously consented to the conservatorship action of the ACUA, and may also consent to this conservatorship action by the NCUA Board, or, no later than ten (10) days after this Order is served, may apply, pursuant to Section 206(h)(3), 12 U.S.C. § 1786(h)(3), to the United States District Court for either the District of Columbia or the judicial district in which Riverdale CU's main office is located, for an order requiring the NCUA Board to show cause why it should not be enjoined from continuing possession and control of Riverdale CU as Conservator.

NATIONAL CREDIT UNION
ADMINISTRATION BOARD

By: Gerard Poliquin
Gerard Poliquin
Secretary of the Board

Dated: June 21, 2017

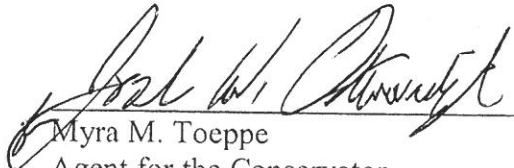
CERTIFICATE OF SERVICE

I hereby certify that on this 22 day of June, 2017, I personally served a copy of the foregoing "Order of Conservatorship" and "Confidential Statement of Grounds for Conservatorship" on Riverdale Credit Union by handing a copy of each to:

Sarah H Moore

whose title is

Conservator of Riverdale Credit Union by
the Administrator of ACU


Myra M. Toeppe
Agent for the Conservator
of Riverdale Credit Union

ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge that, on this 22 day of June 2017, I personally received a copy of the "Order of Conservatorship" of Riverdale Credit Union dated June 21, 2017.

Sarah H Moore
Name: Sarah H. Moore
Title: Conservator of Riverdale Credit Union
by the Administrator of ACU