

**UNITED STATES OF AMERICA
NATIONAL CREDIT UNION ADMINISTRATION
NATIONAL CREDIT UNION ADMINISTRATION BOARD**

In the Matter of)	
MARY NELL HUDSON)	
An Institution Affiliated Party)	Docket No. 97-0401 III
Person Participating in the Affairs)	
of the Pine Bluff Arsenal)	
Federal Credit Union,)	
Pine Bluff, Arkansas)	

FINAL ORDER OF PROHIBITION

Pursuant to Section 206(i)(1) of the Federal Credit Union Act, 12 U.S.C. §1786(i)(1), you are hereby notified that you are prohibited from participating in any manner in the affairs of any federally insured credit union. This prohibition results from activities you engaged in during your affiliation with Pine Bluff Arsenal Federal Credit Union. This prohibition is effective immediately upon service. In accordance with Section 206(g)(7)(A) of the Federal Credit Union Act, 12 U.S.C. §1786(g)(7)(A), this Order shall constitute a prohibition from further participation in any manner in the affairs of any federally insured financial institution, or other entity identified therein, without the written permission of the appropriate federal regulatory agency. This Order has been issued based upon the following information.

You pleaded guilty to one count of Title 18, United States Code, Section 657, misapplication of funds from a financial institution. You were sentenced on July 10, 1996, by the U.S. District Court for the Eastern District of Arkansas, to imprisonment for fifteen months, followed by supervised release for five years, and ordered to pay restitution in the amount of \$68,708.50. A copy of the Judgment in a Criminal Case, dated July 12, 1996, is attached to this Order as Attachment 1 and is incorporated by reference herein. Because an appeal has not been filed within the time specified by the Federal Rules of Appellate Procedure, your conviction is now final.

The offense of which you were convicted, misapplication of funds from a financial institution, was committed while you were employed as the manager of the Pine Bluff Arsenal Federal Credit Union of Pine Bluff, Arkansas. Following an anonymous call that led to an FBI investigation, it was discovered that you and the former bookkeeper, Shirley Brock Greenhill, removed money illegally from the credit union by forging names on loan documents and then forging endorsements on checks. Other irregularities in the credit union's records were also discovered. The board of directors ordered an audit to be performed, which revealed that you and Ms. Greenhill had embezzled approximately \$243,000 from the credit union. At the time of your criminal actions, Pine Bluff Arsenal Federal Credit Union was a federally chartered credit union.

The offense to which you pleaded guilty involves personal dishonesty and breach of trust. Your continued participation in the affairs of any federally insured credit union may pose a threat to the interests of credit union members and may threaten to impair public confidence in the credit union involved.

NOTICE OF HEARING

Pursuant to Section 206(i)(3), of the Federal Credit Union Act, 12 U.S.C. §1786(i)(3), you may request in writing, within thirty days of service of this Order, an opportunity for a hearing at which you may present evidence and argument that your continued participation in the affairs of any federally insured credit union

would not, or would not be likely to, pose a threat to the interests of that credit union's members or threaten to impair public confidence in the credit union. Any such request should be sent to: Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428. This hearing will be held in the Washington, D.C. metropolitan area, or such other place as designated by the Board, in accordance with Subpart D of Part 747 of NCUA's Rules and Regulations, 12 C.F.R. §747.301 et. seq.

PENALTY FOR VIOLATION OF ORDER OF PROHIBITION

Pursuant to Section 206(k)(2) of the Federal Credit Union Act, 12 U.S.C. §1786(k)(2), any violation of this Order may subject you to a Civil Money Penalty of up to \$1,000,000.00 a day for each day said violation continues. In addition, pursuant to Section 206(l) of the Federal Credit Union Act, 12 U.S.C. §1786(l), any violation of this Order is a felony offense that is punishable by imprisonment of up to five years and a fine of up to \$1,000,000.00.

Dated this ____ day of April, 1997
National Credit Union Administration

by _____
H. ALLEN CARVER
Regional Director, Region III
National Credit Union Administration

CERTIFICATE OF SERVICE

This is to certify that I have served the foregoing Order of Prohibition in the Matter of Mary Nell Hudson, by depositing the same with the U.S. Postal Service, certified mail, return receipt requested, addressed to Samuel A. Perroni, Esq., Stewart Building, 801 West Third Street, Little Rock, AR 72201, attorney for Ms. Hudson.

Date

Jon J. Canerday
Trial Attorney
Office of General Counsel