

**CREDIT UNION DEPARTMENT
STATE OF TEXAS**

<u>IN THE MATTER OF:</u>)	No. 19-058-CUD
)	
JAMES T. DUTCHOVER)	PROHIBITON ORDER
)	
)	

The Credit Union Commissioner of the State of Texas (“Commissioner”) has determined that James T. Dutchover, while serving as Chief Executive Officer of Reeves County Teachers Credit Union (RCTCU), intentionally committed or participated in one or more criminal acts with the intent to injure or defraud RCTCU. In May 2019, James T. Dutchover voluntarily entered into a Plea Agreement with United States District Court, Western District of Texas, and pled guilty to conspiracy to defraud RCTCU and obtain money and property owned by it or under its care, custody and control by means of materially false and fraudulent pretenses and representations. See *United States of America v. James T. “Jimmy” Dutchover*; Criminal No. P 19 CR 49 DC; United States District Court for the Western District of Texas, Pecos Division.

Based on the plea, the Commissioner has made a Determination of Misconduct in accordance with Tex. Fin. Code § 122.255, specifically, that James T. Dutchover willfully neglected to perform his duty, committed a breach of trust, breached his fiduciary duty to the credit union and its members, committed fraudulent or questionable practices in the conduct of credit union business that endangers the credit union’s reputation or threatens its solvency, conducted the credit union’s business in an unsafe, unauthorized, or unlawful manner, and committed a criminal act that is a substantial detriment to the reputation and conduct of credit union business.

Based on this finding of misconduct, the Commissioner has determined that this Prohibition Order is necessary to prevent immediate or irreparable harm to the public or a credit union or its depositors, creditors, or members.

James T. Dutchover has violated the following laws, rules, or regulations:

18 U.S.C. § 1344 Bank fraud;
18 U.S.C. § 371 Conspiracy to commit offense or to defraud United States; and ;
Tex. Fin. Code § 122.255(1), (3), (4), (7) and (11).

James T. Dutchover's violations have resulted in financial harm to RCTCU.

Therefore, in accordance with Tex. Fin. Code § 122.258 , the Commissioner issues the following:

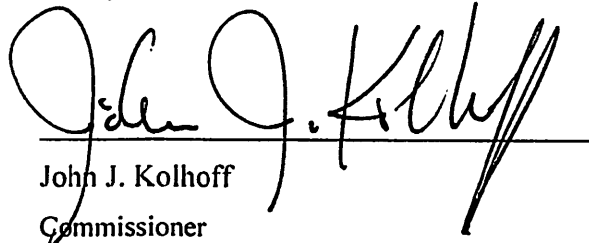
PROHIBITION ORDER

IT IS HEREBY ORDERED that James T. Dutchover may no longer hold office in, be employed by, or participate in the affairs of a Texas state-chartered credit union. Accordingly, James T. Dutchover has no further right, duty, or authority of office or employment in a Texas state-chartered credit union.

The provisions of this ORDER shall be binding upon all Texas state-chartered credit unions, their directors, officers, employees, agents, and other persons participating in the conduct of the affairs of any Texas state chartered credit union.

This ORDER shall be effective immediately and remain effective and enforceable until such time it is rescinded.

SO ORDERED this 5th day of September 2019.



John J. Kolhoff
Commissioner

NOTICE OF CONFIDENTIALITY

Section 122.261 of the TEXAS FINANCE CODE generally requires confidentiality of Department orders, documents, and records related thereto. However, this section permits the Commissioner to release information regarding the existence of a final order to the public if the Commissioner concludes that the release would enhance effective enforcement of the order.

NOTICE OF PENALTY

Pursuant to Section 122.260 of the TEXAS FINANCE CODE, if a credit union or other person designated in a final order does not comply with the order, the Commissioner, after giving notice, may assess an administrative penalty against the credit union, the designated person, or both, in an amount of not less than \$100 or more than \$10,000 each for each day of the violation of the order. The credit union may not reimburse or indemnify a person for any part of the administrative penalty. The Commissioner may bring suit for injunction or to collect the administrative penalty in a district court of Travis County, in the State of Texas.

NOTICE OF OPPORTUNITY FOR HEARING

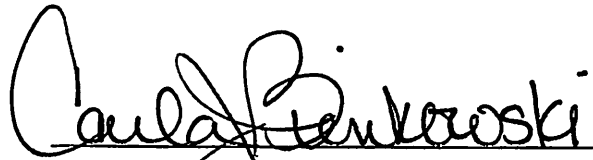
James T. Dutchover and RCTCU are advised that under 7 TEX. ADMIN. CODE § 93.401, this order is final, unless within ten (10) days after service of the order, the person affected files with the Commissioner a written notice of appeal, requesting a hearing before the State Office of Administrative Hearings. The filing of an appeal does not suspend a removal order, including a prohibition order, pursuant to Section 122.259 of the TEXAS FINANCE CODE. A written request to stay the effectiveness of part or all of the order until the appeal is heard must be made in accordance with 7 TEX. ADMIN. CODE § 93.402.

ORIGINAL of the foregoing filed this 5th day of September,
2019, in the office of:

John J. Kolhoff
Commissioner
Credit Union Department
State of Texas
914 East Anderson Lane
Austin, Texas 78752-1699

CERTIFICATE OF SERVICE

I certify that true and correct copies of the foregoing Prohibition Order has been sent by United States First Class Mail and by Certified Mail, return receipt requested article number 7005 1160 0000 0843 2935, to James T. Dutchover, located at 523 S. Hickory St., Pecos, Texas 79772-3918, the most recent address of record known to the Department on this 5th day of September, 2019.



Carla J. Bienkowski, Legal Assistant
Credit Union Department
State of Texas