

CREDIT UNION DEPARTMENT STATE OF  
TEXAS

IN THE MATTER OF: ) No. 20-009-02  
)  
COAST CREDIT UNION ) **ORDER TO CEASE AND DESIST**  
PHONE (800) 886-6082 )  
FAX (800) 407-7124 )

The Credit Union Department recently obtained evidence that “Coast Credit Union” (“Respondent”), a person who is not a credit union authorized to do business in Texas under the Texas Credit Union Act or the Federal Credit Union Act, has been doing business in this state under a name or title containing the words “credit union” or “cu” (a derivation of the term credit union that indicates or reasonably implies the person carries on or transacts the kind of business carried on or transacted by a credit union). Based on the grounds detailed below, the Credit Union Commissioner has determined that Respondent’s business has been conducted in violation of TEX. FINANCE CODE § 122.003(c).

**GROUND**

1. Respondent, “Coast Credit Union” is not a credit union authorized to do business in Texas under the Texas Credit Union Act or the Federal Credit Union Act.
2. TEX. FINANCE CODE § 122.003 states: SEC. 122.003. CORPORATE NAME; CRIMINAL PENALTY.
  - (a) The name of a credit union must include the words "credit union" or the abbreviation “CU” and an appropriate descriptive word or words, or an acronym made up of initials of the appropriate descriptive word or words and ending in "CU," approved by the commissioner.
  - (b) Unless a credit union is formed by merger or consolidation, the commissioner may not issue a certificate of incorporation to the credit union or approve the change of the name of the credit union if it would have the same name as another credit union or a name so nearly resembling the name of another credit union as to be calculated to deceive.
  - (c) A person who is not a credit union authorized to do business in this state under this subtitle or the Federal Credit Union Act (12 U.S.C. Section 1751 et seq.), or an organization, corporation, or association the membership or ownership of which is primarily confined to credit unions or credit union organizations, may not do business

under or use a name or title containing the words "credit union" or any derivation of that term that:

- (1) indicates or reasonably implies that the person carries on or transacts the kind of business carried on or transacted by a credit union; or
  - (2) is calculated to lead a person to believe that the business being conducted is the type of business carried on or transacted by a credit union.
- (d) A person who violates Subsection (c) commits a Class A misdemeanor.
- (e) The commissioner may petition a court to enjoin a violation of this section.
3. On or about November 25, 2019, Respondent advertised its business through facsimile transmission offering business lines of credit (see attached Exhibit A).
  4. On or about December 9, 2019, The Credit Union Department initiated contact and was routed to a voice mail system with no identifying information provided by the entity.
  5. A search of credit unions throughout the nation indicated no credit union under the name "Coast Credit Union" is currently an active federal or state charter.
  6. Based on the law and the facts stated above, the Department has determined Respondent has been doing business in this state under a name or title containing the words "credit union" without authorization and in violation of the Texas Finance Code.
  7. Immediate action is necessary to enforce compliance with the Texas Finance Code and to ensure the welfare of the public, the credit union industry, depositors, creditors, and members.

Therefore in accordance with Section 122.2575 of the Texas Finance Code, the Commissioner issues the following:

## **ORDER TO CEASE AND DESIST**

**IT IS HEREBY ORDERED that the Respondent shall cease to do business in the state of Texas as Coast Credit Union, in violation of TEX. FINANCE CODE § 122.003(c).**

The provisions of this ORDER shall be binding upon Respondent, its directors, officers, employees, agents and other persons participating in the conduct of the affairs of "Coast Credit Union."

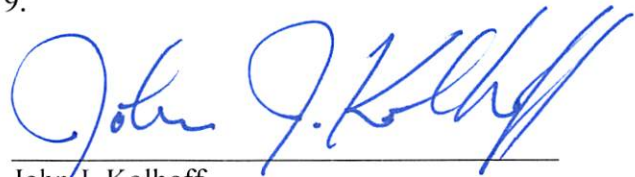
This ORDER shall be effective immediately and remain effective and enforceable until such time it is rescinded, or until Respondent becomes a credit union authorized to do business in Texas under the Texas Credit Union Act or the Federal Credit Union Act.

Respondent, within ten (10) days of the service of this ORDER, may tender a written request for appeal. The right to appeal will be forfeited if the written request for an administrative hearing is not timely filed. The filing of an appeal does not suspend the ORDER.

If Respondent timely requests an appeal in writing, the hearing will be conducted in accordance with TEXAS FINANCE CODE Section 122.259, TEXAS ADMINISTRATIVE CODE Chapter 93 and TEXAS GOVERNMENT CODE Section 2001.001 *et seq.*

If Respondent does not respond within ten (10) days of the service of this ORDER, this ORDER will become a Final Order. If Respondent 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 Respondent in an amount of not less than \$100 or more than \$10,000 each for each day of the violation of the ORDER. A violation of TEX. FINANCE CODE § 122.003(c) is a Class A misdemeanor and may subject Respondent to additional penalties under the Texas Penal Code.

SO ORDERED this 9<sup>th</sup> day of December 2019.



John J. Kolhoff  
Commissioner  
Credit Union Department



**Coast Credit Union**  
Commercial Finance Group  
800-886-6082  
Huntsville, Texas

**November 25, 2019**  
**Approved Line: \$74,854**  
**Applied Rate: 3.864% fixed**  
**Client ID #: 9362910982**

**With a business line of credit, you'll have access to the working capital you need, when you need it most. Simply request funds via a quick call, or transfer money into your account using Online Account. With a business line of credit, you'll be able to bridge the gap between payables and receivables, knowing you're covered. Secured and unsecured options available. Revolving/non-revolving credit line options. Draw funds as you need them.**

**EASY**

- **Approved Options within 1 hour**
- **No Upfront Fees**

**QUICK**

- **Funds within 24 hours**

**REPAYMENT**

- **No Daily Payments**
- **Terms: 6 months – 10 years**
- **No Prepayment Penalty**

**Draw as little or as much as you want from your available credit. Your credit line replenishes as you make repayments.**

**Call now to review your options.**


**This offer expires in 5 days.**

**Coast Credit Union**  
Commercial Finance Group  
800-886-6082

*To opt out please call or fax to 800-407-7124*

**CERTIFICATE OF SERVICE**

I certify that true and correct copies of the foregoing Cease & Desist has been sent by facsimile to 800-407-7124 of Coast Credit Union, on this 10<sup>th</sup> day of December, 2019.

  
Carla Bienkowski, Legal Assistant