



**IN THE MATTER OF THE FINANCIAL INSTITUTIONS ACT  
R.S.B.C. 1996, C. 141, AS AMENDED**

**- AND -**

**IN THE MATTER OF CHEMAINUS CREDIT UNION, AND  
HENRY HOUDE**

**ORDER UNDER SECTION 99(2) AND 238, AND  
NOTICE OF RIGHT OF HEARING OR APPEAL  
UNDER SECTIONS 238(2) AND 242**

WHEREAS it appears to the Superintendent of Financial Institutions (the "Superintendent") that:

1. Chemainus Credit Union ("Chemainus") is a credit union authorized to conduct deposit business under Section 60(1) of the Financial Institutions Act, (the "Act").
2. Chemainus is situated in the town of Chemainus, British Columbia.
3. The nine-person Board of Directors (the "Board") currently consists of:

Larry Hopwo ("Hopwo") who is the President;

Star Ella Anne Adams ("Adams");

Charlene Elizabeth Bayes ("Bayes");

Maurice William Blackhurst ("Blackhurst");

Claude Allyn Burroughs ("Burroughs");

Janet Elaine Mitchell ("Mitchell");

Michele Riley ("Riley");

Leslie Albert Skene ("Skene"); and

Melvin H. Stevens ("Stevens").

4. Chemainus has four officers Henry Houde, General Manager, Michael Robin Clark ("Clark"), Operations Manager, Deborah Lovely ("Lovely"), Loans Manager, and Audrey Delaine Aird ("Aird"), Marketing Manager. The records of the Financial Institutions Commission ("FICOM") show that Houde has been an officer of Chemainus since July 1, 1994.
5. In September 2003, during the course of an examination, John Schonhoffer ("Schonhoffer"), an analyst with FICOM, received information from a staff member of Chemainus that indicates that Houde is conducting himself in a manner that is a conflict of interest and may be prejudicial to the credit union.
6. Schonhoffer received a number of documents which supported the information he received.
7. On September 29, 2002, Colin Parcher, ("Parcher") Manager, Investigations and Jo Orton ("Orton"), Investigator, met with several individuals who provided information, supported by documentation that confirmed the information, that Houde is conducting himself in a manner which places him in a conflict of interest and is prejudicial to Chemainus.

8. Specifically, it has been determined that Houde, as General Manager, and an officer of Chemainus:

- Appears to be the controlling interest in the AUTOMONEY account held at Chemainus, despite the fact that the sole signator on the account is a [REDACTED]
- Has told an individual, believed to be a reliable source, that he has set up his own personal bank known as "Hanks Bank."
- It is reported that all the cheques written on the AUTOMONEY account are in Houde's handwriting and signed with a signature, purporting to be [REDACTED]
- [REDACTED] signature, on the AUTOMONEY cheques, does not match the signature on the AUTOMONEY account signature card at Chemainus.
- Appears to be allowing the sale of vehicles, repossessed by Chemainus, at below market value. The sale of these vehicles is believed to be to non-arms length individuals and companies.
- Financing of the subsequent resale of these vehicles is facilitated through the AUTOMONEY account.
- Houde has failed to follow regulatory rules in changing the account status of the AUTOMONEY account .
- Houde has reportedly allowed the release of the security on a vehicle loan prior to Chemainus receiving full payment for the loan.
- Houde appears to have abused his position by registering a lien in AUTOMONEY'S name using Chemainus' computer system.

- Houde appears to have intertwined the personal business, of AUTOMONEY, Orca Auto Brokers, and that of his associates into that of the credit union in such a manner that is detrimental to the day-to-day operations and the overall stability of Chemainus.

AND WHEREAS the Superintendent is of the opinion that by the above acts or conduct, Henry Houde is an individual who ought not to be in a position to control or influence a financial institution.

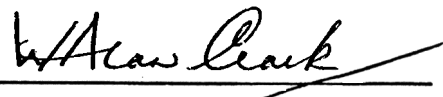
AND WHEREAS the Superintendent considers, pursuant to Section 238(1)(b) of the Act that the length of time that would be required to hold a hearing would be detrimental to the due administration of the Act.

AND THEREFORE the Superintendent orders pursuant to Sections 99(2) that:

- Henry Houde immediately cease from being a director or officer of Chemainus Credit Union.

TAKE NOTICE THAT Henry Houde has a right to a hearing or an appeal under Sections 238(2) and 242 of the Act.

Dated at the  
City of Vancouver,  
Province of British Columbia  
this 7<sup>th</sup> day of October, 2003.



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W. Alan Clark  
Superintendent of Financial Institutions  
Province of British Columbia

**TO: Henry Houde**  
**Personal Service**  
**Chemainus Credit Union**  
**Chemainus, British Columbia**

**The Board of Directors**  
**Chemainus Credit Union**  
**Chemainus, British Columbia**

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