



NCUA Media Release

NCUA FILES AMENDED COMPLAINT FOR LOSSES AT WESCORP

August 31, 2010, Alexandria, Va. – The National Credit Union Administration (“NCUA”) Board, in its role as Conservator of Western Corporate Federal Credit Union (“WesCorp”), today filed an amended complaint with the U.S. District Court for the Central District of California in a pending lawsuit as a result of losses at the conserved corporate credit union.

Today’s filing, which supersedes a November 2009 complaint, alleges various breaches of fiduciary duties of care and gross negligence on the part of fifteen former WesCorp directors and officers in connection with over-concentration of certain types of Option ARM Mortgage Backed Securities. The complaint also alleges breaches of fiduciary duty and fraud on the part of two former WesCorp officers and unjust enrichment on the part of one former officer in connection with irregular payments from WesCorp’s Supplemental Executive Retention Plans.

The November 2009 suit superseded today was filed by a group of seven WesCorp member credit unions against certain current and former directors and officers of WesCorp in a case captioned, *1st Valley Credit Union, et al. v. Bland, et al.* NCUA intervened in this lawsuit and removed the case to Federal District Court. On July 15, 2010, the court granted NCUA’s motion to substitute the Conservator as proper party plaintiff as to all derivative claims and further ordered that any amended complaints be filed by August 31, 2010.

A copy of the complaint can be viewed by clicking [here](#).

NCUA is the independent federal agency that regulates, charters, and supervises federal credit unions. With the backing of the full faith and credit of the U.S. government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of over 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.