

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

In the Matter of:)
Kenneth Moore)
President)
Anahuac National Bank)
Anahuac, TX)

STIPULATION AND CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (Comptroller) intends to initiate cease and desist and civil money penalty proceedings against Kenneth Moore (Respondent) pursuant to 12 U.S.C. §§ 1818(b) and (i) (as amended); and

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, the Comptroller and Respondent desire to enter into this Stipulation and Consent Order (Order);

NOW, THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through his duly authorized representative, and Respondent that:

Article I

JURISDICTION

(1) Anahuac National Bank (Bank) is a national banking association, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 et seq. Accordingly, the Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) Respondent is President of the Bank and is an “institution-affiliated party” of the Bank as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years from the date hereof (see 12 U.S.C. § 1818(i)(3)).

(3) Pursuant to 12 U.S.C. § 1813(q), the Comptroller is the “appropriate Federal banking agency” to maintain an enforcement proceeding against institution-affiliated parties. Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain cease and desist and civil money penalty proceedings against him pursuant to 12 U.S.C. §§ 1818(b) and (i).

Article II

FINDINGS OF FACT

The OCC makes the following findings of fact, which Respondent neither admits nor denies:

(1) On September 7, 1999, Respondent caused the Bank to originate Loan # 8009191, in the amount of \$12,000, to Kimberly Avriett (Avriett). At the time, Avriett

was one of the Bank's Vice Presidents. On that same day, Avriett transferred the proceeds of Loan # 8009191 to Respondent's account.

(2) Respondent did not disclose to the Board of Directors that he was the beneficiary of Loan # 8009191.

(3) On September 20, 1999, Respondent caused the Bank to originate Loan #15685, in the amount of \$15,000, to Avriett. On September 21, 1999, Avriett transferred the proceeds of Loan # 15685 to Respondent's account.

(4) Respondent did not disclose to the Board of Directors that he was the beneficiary of Loan # 15685.

Article III

PERSONAL CEASE AND DESIST ORDER

(1) For the purposes of this Article, the term "associated," when used with regard to Respondent's relationship with an insured depository institution, includes the following:

- (a) Respondent is a controlling shareholder of an insured depository institution;
- (b) Respondent is a member of an insured depository institution's Board of Directors;
- (c) Respondent is an agent for an insured depository institution;
- (d) Respondent is a participant in the conduct of the affairs of an insured depository institution as a shareholder, consultant, joint venture partner, or otherwise; or
- (e) Respondent is an independent contractor who is hired by an insured depository institution.

(2) Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that, effective immediately,

Respondent shall:

- (a) not become obligated, directly or indirectly, on any loans or other extensions of credit from any insured depository institution at which he is associated or employed without notifying the OCC prior to undertaking such an obligation;
- (b) not renew any loans that Respondent has at the Bank as of the date this Order is signed by the OCC without first notifying the OCC;
- (c) not accept or receive, directly or indirectly, the proceeds of any loans or other extensions of credit made by any insured depository institution at which he is associated or employed without notifying the OCC prior to accepting or receiving such proceeds;
- (d) not cause any insured depository institution at which he is associated or employed to originate or renew any loans or other extensions of credit to his wife, children, step-children, parents, parents-in-law, siblings, or siblings-in-law;
- (e) not participate in any manner in any loans or extensions of credit to his wife, children, step-children, parents, parents-in-law, siblings, or siblings-in-law by any insured depository institution at which he is associated or employed;
- (f) disclose to the Board of Directors of any insured depository

institution at which he is employed any credit or lending agreements he enters into with any third parties with the exception of the following:

- (i) credit card debt incurred by the Respondent;
- (ii) overdraft protections that Respondent may have on his checking accounts;
- (iii) extensions of credit obtained by Respondent from other insured depository institutions; and
- (iv) any credit or lending agreements obtained by Respondent's wife in her name alone.

(3) Prior to accepting employment at any insured depository institution, Respondent shall disclose the existence and contents of this stipulation and consent order to the institution's Board of Directors.

(4) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(b) and (h) (as amended).

Article IV

CIVIL MONEY PENALTY

(1) Without admitting or denying any wrongdoing, Respondent hereby consents to the payment of a civil money penalty in the amount of ten thousand dollars (\$10,000), which shall be paid in four increments of two thousand five hundred dollars (\$2,500) with the first increment due upon the signing of this Order. The second increment is due on September 1, 2001, the third increment due on December 1, 2001, and the final increment on March 1, 2002.

Respondent shall make payment by certified check or money order made payable to the Treasurer of the United States and shall be delivered to: Comptroller of the Currency, P.O. Box 73150, Chicago, Illinois 60673-7150. Respondent shall also deliver a copy of each certified check or money order to: Director, Enforcement & Compliance Division, Office of the Comptroller of the Currency, Washington, DC 20219.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(h) and (i) (as amended)

Article V

WAIVERS

- (1) By executing this Order, Respondent waives:
 - (a) the right to the issuance of a Notice of Assessment of a Civil Money Penalty and a Notice of Charges under 12 U.S.C. §§ 1818(b) and (i);
 - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (i) and 12 C.F.R. Part 19;
 - (c) all rights to seek judicial review of this Order;
 - (d) all rights in any way to contest the validity of this Order;
 - (e) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or this Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. §§ 504 and 28 U.S.C. § 2412; and
 - (f) all rights to assert a “double jeopardy” claim in the event of a

criminal prosecution brought by the Department of Justice for the acts which form the basis for issuance of this Order.

(2) Respondent shall not cause, participate in or authorize the Bank (or any subsidiary or affiliate thereof) to incur, directly or indirectly, any expense for the payment of the civil money penalty under this Order, or any legal (or other professional) expense relative to the negotiation and issuance of this Order and, in accordance with 12 C.F.R. § 7.2014, Respondent shall not, directly or indirectly, obtain or accept any indemnification (or other reimbursement) from the Bank (or any subsidiary or affiliate thereof) with respect to such amounts.

(3) Respondent agrees that this Order does not constitute a contract, express or implied, or any other obligation binding on the Comptroller, any federal government agency or employee, or the United States and does not affect the ability of the Comptroller to exercise its supervisory, regulatory, and examination authorities under applicable law and regulation.

(4) Respondent acknowledges that he has read and understands the premises and obligations of this Order and declares that no separate promise or inducement of any kind has been made by the Comptroller, his agents or employees to cause or induce the Respondent to agree to consent to the issuance of this Order and/or to execute this Order.

(5) It is hereby agreed that the provisions of this Order constitute a settlement of the cease and desist and civil money penalty proceedings contemplated by the Comptroller. The Comptroller agrees not to institute proceedings for the specific acts, omissions, or violations which were the subject of the Order of Investigation dated June 5, 2000 and which form the basis of this Order, unless such acts, omissions, or violations reoccur.

(6) It is further agreed that the provisions of this Order shall not be construed as an adjudication on the merits and, except as set forth above, shall not inhibit, estop, bar, or

otherwise prevent the Comptroller from taking any action affecting the Respondent if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(7) Respondent understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and that nothing herein constitutes, nor shall Respondent contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

IN TESTIMONY WHEREOF, the undersigned have hereunto set their hands.

/s/

05/24/01

Leann G. Britton
Senior Deputy Comptroller
for Bank Supervision Operations

Date

05/16/01

/s/

Kenneth Moore

Date