

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

In the Matter of:)
Cathy A. Dryer)
Vice President)
Republic National Bank)
Houston, Texas)

STIPULATION AND CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate this cease and desist proceeding against Cathy A. Dryer (“Respondent”) pursuant to 12 U.S.C. § 1818(b) (as amended);

WHEREAS, while serving as a Vice President at the Bank, and tasked with BSA responsibilities including reviewing and filing Currency Transaction Reports (CTRs), Respondent failed to review and file over 1,000 CTRs during a one-year period;

WHEREAS, the Respondent’s inaction constituted an unsafe and unsound practice and a violation of law;

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) Republic 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 was a Vice 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 this cease and desist proceeding against her pursuant to 12 U.S.C. § 1818(b).

Article II

PRIOR NOTICE REQUIRED

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

(1) Prior to continuing in, or accepting, any position that causes her to become an “institution-affiliated party” [as defined in 12 U.S.C. § 1813(u)] of any institution specified in 12 U.S.C. § 1818(e)(7)(A), Respondent shall provide the chief executive officer of the institution with a copy of this Order.

(2) Within ten (10) days from and after her acceptance of any position described in paragraph (1), Respondent shall provide written notice of such acceptance, a copy of this Order, and a written certification of her compliance with paragraph (1) to: Director, Enforcement and Compliance Division, OCC, 250 E Street, S.W., Washington, D.C. 20219.

Article III

DUTIES AND RESPONSIBILITIES

It is further ordered that in the event Respondent is or becomes an “institution-affiliated party” as defined in 12 U.S.C. § 1813(u), she shall comply with the following provisions:

(1) Respondent shall comply with applicable laws and regulations;

(2) Respondent shall not engage in any unsafe or unsound practices (as that term is used in 12 U.S.C. § 1818) at any insured depository institution or agency with which she is or may become affiliated, which unsafe or unsound practices would include, *inter alia*, failing to file Currency Transaction Reports (CTRs) in accordance with the requirements of the Bank Secrecy Act (BSA), as amended, 12 U.S.C. § 1951, *et seq.*, and the implementing regulations at 31 C.F.R. § 103.22 and 12 C.F.R. § 21.21.

(3) Respondent shall adhere to the written policies and procedures of any insured depository institution or agency with which she is or may become affiliated, or seek and receive written permission from appropriate authorized individuals to do otherwise;

(4) Respondent shall not breach her duties of loyalty or care owed to any insured depository institution or agency with which she is or may become affiliated; and

(5) If, at any time, Respondent is uncertain whether a situation implicates paragraphs 1 through 4 of this Article, or if Respondent is uncertain about her duties arising from these or any other requirements under this Order, she shall obtain and abide by the written advice of counsel regarding her duties and responsibilities with respect to the matter. Respondent must be reasonably satisfied and have a reasonable basis to conclude that such counsel does not have any conflict of interest that would potentially taint the advice.

Article IV

WAIVERS

- (1) By executing this Order, Respondent waives:
 - (a) the right to the issuance of [Notice] under 12 U.S.C. § 1818(b);
 - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(b) 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 legal (or other professional) expense relative to the negotiation and issuance of this Order except in accordance with 12 C.F.R. § 7.2014 and Part 359; and 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 except in accordance with 12 C.F.R. § 7.2014 and Part 359.

(3) Respondent acknowledges that she 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.

(4) It is hereby agreed that the provisions of this Order constitute a settlement of this cease and desist proceeding contemplated by the Comptroller. The Comptroller agrees not to institute proceedings for the specific acts, omissions, or violations, unless such acts, omissions, or violations reoccur.

(5) 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.

(6) 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/ Ronald G. Schneck
Ronald G. Schneck
Director for Special Supervision

Signed
Cathy A. Dryer

9/2/03
Date

8-12-03
Date