

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

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**In the Matter of:** )  
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FSGBank, National Association )  
Chattanooga, Tennessee )  
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**STIPULATION AND CONSENT**

**WHEREAS**, the Comptroller of the Currency of the United States of America (Comptroller) intends to initiate a civil money penalty proceeding against FSGBank, National Association, Chattanooga, Tennessee (Bank) pursuant to 42 U.S.C. § 4012a(f) and (g) for activities detailed in the Report of Examination dated June 30, 2004 (ROE).

**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 the Bank 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 her duly authorized representative, and the Bank, through its duly elected and acting Board of Directors, that:

**ARTICLE I -- JURISDICTION**

(1) The 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) and is a “regulated lending institution” as that term is defined at 42 U.S.C. § 4003(a)(10).

(2) Pursuant to 42 U.S.C. §§ 4003(a)(5) and 4012a(f), the Comptroller is the “appropriate Federal entity for lending regulation” to maintain an enforcement proceeding against the Bank. Therefore, the Bank is subject to the authority of the Comptroller to initiate and maintain a civil money penalty proceeding pursuant to 42 U.S.C. § 4012a(f).

## **ARTICLE II -- CIVIL MONEY PENALTY**

(1) Without admitting or denying any wrongdoing, the Bank hereby consents to the payment of a civil money penalty in the amount of four thousand, two hundred and fifty dollars (\$4,250.00), which shall be paid upon execution of this Order. The Bank shall make payment in full by check made payable to the National Flood Insurance Program, and shall deliver said check to the attention of: Kevin Montgomery, Financial Management Specialist, Federal Emergency Management Agency, National Flood Insurance Program, 7700 Hubble Drive, Lanham, Maryland, 20706.

(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 III -- WAIVERS**

- (1) By executing this Order, the Bank waives:
- (a) the right to the issuance of Notice pursuant to 12 U.S.C. § 1818(i) and 42 U.S.C. § 4012a(f)(4), and instead recognizes the letter issued by Deputy Comptroller Jeri Gilland to the Bank dated February 1, 2005, as a valid substitute Notice of Assessment;

- (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19, and 42 U.S.C. § 4012a(f)(4);
- (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) It is hereby agreed that the provisions of this Order constitute a settlement of the civil money penalty proceeding contemplated by the Comptroller. The Comptroller agrees not to institute proceedings for the specific acts, omissions, or violations contained in the ROE , unless such acts, omissions, or violations reoccur.

(3) 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 Bank if, at any time, she deems it appropriate to do so to fulfill the responsibilities placed upon her by the several laws of the United States of America.

(4) Bank 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 the

Bank 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, authorized by the Comptroller as her representative, has hereunto set her hand on behalf of the Comptroller.

*/s/ Jeri Gilland*

*February 23, 2005*

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Jeri Gilland  
Deputy Comptroller

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Date

**AND IN FURTHER TESTIMONY WHEREOF**, the undersigned, as the duly elected and acting Board of Directors of FSGBank, National Association, Chattanooga, Tennessee, have hereunto set their hands on behalf of the Bank.

Signed \_\_\_\_\_ 3/3/05 \_\_\_\_\_  
J. C. Harold Anders Date

Signed \_\_\_\_\_ 3/3/05 \_\_\_\_\_  
Clayton Causby Date

Signed \_\_\_\_\_ March 3, 2005 \_\_\_\_\_  
Rodger B. Holley Date

Signed \_\_\_\_\_ 3/7/05 \_\_\_\_\_  
Carol H. Jackson Date

Signed \_\_\_\_\_ March 3, 2005 \_\_\_\_\_  
Ralph L. Kendall Date

Signed \_\_\_\_\_ 03/04/05 \_\_\_\_\_  
William B. Kilbride Date

Signed \_\_\_\_\_ 3-2-05 \_\_\_\_\_  
D. Ray Marler Date

Signed \_\_\_\_\_ 3/3/05 \_\_\_\_\_  
Monty Montgomery Date

Signed \_\_\_\_\_ 3/3/05 \_\_\_\_\_  
Hugh J. Moser, III Date

Signed \_\_\_\_\_ 3/2/05 \_\_\_\_\_  
H. Patrick Wood Date