

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

In the Matter of: Judy R. Davis Former Vice President and Real Estate Administrator First National Bank of Shelby County Columbiana, Alabama (Merged)))))))))	AA-EC-06-29
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STIPULATION AND CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate prohibition and civil money penalty proceedings against Judy R. Davis (“Respondent”), former Vice President and Real Estate Administrator, pursuant to 12 U.S.C. § 1818(e) and (i) for violations of law, violations of the 2002 Formal Agreement, unsafe or unsound banking practices, and breaches of fiduciary duty; 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 Respondent, without admitting or denying any wrongdoing, desires 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) First National Bank of Shelby County, Columbiana, Alabama (“Bank”) was 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 was an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) Respondent was a Vice President and served as Real Estate Administrator 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 enforcement proceedings against institution-affiliated parties. Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain these removal and prohibition and civil money penalty proceedings against her pursuant to 12 U.S.C. § 1818(e) and (i).

Article II

COMPTROLLER’S FINDINGS

(1) The Comptroller hereby makes the following findings, which Respondent neither admits nor denies:

(2) In connection with her employment as Vice President and Real Estate Administrator of the Bank, Respondent misappropriated \$3,225.00 in fees owed to the Bank.

(3) In connection with her employment at the Bank, Respondent participated in violations of law or regulation, violations of the 2002 Formal Agreement, unsafe or unsound practices, and/or breaches of fiduciary duty to the Bank in connection with a purported “income tax loan,” made for the tangible economic benefit of other Bank insiders.

Article III

PROHIBITION ORDER

(1) With respect to the institutions and agencies set forth in paragraph (2) of this Article, Respondent hereby agrees that she shall not:

- (a) participate in any manner in the conduct of their affairs;
- (b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights;
- (c) violate any voting agreement previously approved by the “appropriate Federal banking agency,” as defined in 12 U.S.C. § 1813(q) (as amended); or
- (d) vote for a director, or serve or act as an “institution-affiliated party,” as defined in 12 U.S.C. § 1813(u) (as amended).

(2) The prohibitions in paragraph (1) of this Article apply to the following institutions and agencies:

- (a) any insured depository institution, as defined in 12 U.S.C. § 1813(c);
- (b) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3), (b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9) (as amended);
- (c) any insured credit union under the Federal Credit Union Act;
- (d) any institution chartered under the Farm Credit Act of 1971;
- (e) any appropriate Federal depository institution regulatory agency; and
- (f) the Federal Housing Finance Board and any Federal Home Loan Bank.

(3) The prohibitions of paragraphs (1) and (2) of this Article shall cease to apply with respect to a particular institution if Respondent obtains the prior written consent of both the Comptroller and the institution's “appropriate Federal financial institutions regulatory agency,” as defined in 12 U.S.C. § 1818(e)(7)(D) (as amended).

(4) Respondent agrees that 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(e) and (h).

Article IV

CIVIL MONEY PENALTY ORDER

(1) Respondent hereby consents to the payment of a civil money penalty in the amount of five thousand dollars (\$5,000.00), which shall be paid upon execution of this Order.

(2) Respondent shall make payment in full by certified check or money order made payable to the Treasurer of the United States and shall deliver the payment to: Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000. The docket number of this case, AA-EC-06-29, shall be entered on the memo line of the check.

(3) Respondent shall also deliver a copy of the check to Director, Enforcement & Compliance Division, (“Enforcement Director”) Office of the Comptroller of the Currency, 250 E St., S.W., Washington, D.C. 20219, along with this executed Order.

(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(h) and (i).

Article V

WAIVERS

(1) By executing this Order, Respondent hereby waives:

- (a) the right to the issuance of Notices under 12 U.S.C. § 1818(e) and (i);
- (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(e) 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 her 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

(2) Respondent shall not cause, participate in or authorize the Banks (or any subsidiary or affiliate thereof, or successor in interest) 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 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 Banks (or any subsidiary or affiliate thereof, or successor in interest) 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 these removal and prohibition and civil money penalty proceedings contemplated by the Comptroller. The Comptroller agrees not to institute proceedings for the specific acts, omissions, or violations described in Article II of this Order, 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
Director
Special Supervision Division
/s/

6/5/06

Date

Judy R. Davis

5/30/06

Date