

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

In the Matter of:)
)
Eldon B. "Brac" Thoma III)
Former President & CEO and Director)
First National Bank of Tullahoma)
Tullahoma, Tennessee)

Docket No.
AA-EC-05-25

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America ("Comptroller") has initiated these prohibition and civil money penalty proceedings against Eldon B. "Brac" Thoma III ("Respondent"), former president/CEO and director of First National Bank of Tullahoma, Tullahoma, Tennessee ("Bank"), pursuant to 12 U.S.C. § 1818(e) and (i) (as amended); and

WHEREAS, the Comptroller alleges that Respondent engaged in reckless unsafe or unsound banking practices and breached his fiduciary duty to the Bank during the five-year period August 1999 through July 2004 by causing the Bank to make unauthorized payments for his personal expenses not related to Bank business, for his benefit and/or the benefit of his family members, thereby causing loss to the Bank and gain to himself;

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, without admitting or denying any wrongdoing as alleged herein, and solely for the purpose of this

administrative proceeding, Respondent agrees to enter into this Consent Order (“Order”) issued pursuant to 12 U.S.C. § 1818(e) and (i);

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 Tullahoma, Tullahoma, Tennessee (“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 formerly the president, chief executive officer (“CEO”), and a director 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 capacities 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 these prohibition and civil money penalty proceedings against him pursuant to 12 U.S.C. § 1818(e) and (i).

ARTICLE II

ORDER FOR PROHIBITION

(1) With respect to the institutions and agencies set forth in paragraph (2) of this Article, Respondent hereby agrees that he 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 depository institution under 12 U.S.C. §§ 1818(b)(3), (b)(4) or (b)(5), including, but not limited to, any subsidiary of such institution, or treated as a savings and loan

holding company or subsidiary 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 only 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) 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), (i), (j), and (h) (as amended).

ARTICLE III

ORDER FOR CIVIL MONEY PENALTY

(1) Respondent hereby consents to the payment of a civil money penalty ("CMP") in the amount of one hundred thousand dollars (\$100,000).

(2) Payment of the \$100,000 CMP shall be made as follows: Respondent shall make an initial payment of ten thousand dollars (\$10,000) upon signing this Order. The

balance of ninety thousand dollars (\$90,000) shall be paid in six (6) annual installments, with the first installment of fifteen thousand dollars (\$15,000) to be due on or before the first anniversary of the date of this Order; the second, third, fourth, and fifth installments of ten thousand dollars (\$10,000) each to be due on or before the second, third, fourth, and fifth anniversaries, respectively, of the date of this Order; and a final payment of thirty-five thousand dollars (\$35,000) to be due on or before the sixth anniversary of the date of this Order; with the CMP to be paid in full on or before the sixth anniversary of the date of this Order or within thirty (30) days of the sale of the Bank or the sale or other disposition of all or a substantial part of Respondent's shares of stock in the Bank's holding company, whichever date is earlier.

(3) Respondent shall make payment by checks made payable to the Treasurer of the United States and shall transmit the payment to: Comptroller of the Currency, P.O. Box 979012, St. Louis, MO 63197-9000. The docket number of this case, AA-EC-05-25, shall be entered on all checks. Respondent shall also mail copies of payment checks to the Enforcement Director at OCC, 250 E Street, S.W., Mail Stop 8-10, Washington, DC 20219.

(4) Respondent shall complete, sign, and submit with the signed Order the Appendix A to Stipulation and Consent Order, and shall comply with the directives therein until the CMP imposed under this Article has been paid in full.

(5) If Respondent fails to make any payment as provided in this Article, the entire outstanding balance of the CMP described in this Article shall become immediately due and payable.

(6) 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 IV

BANKRUPTCY

(1) If Respondent files for bankruptcy protection, Respondent shall notify the Enforcement Director within ten (10) days of the filing and shall provide a copy of the filing to the Enforcement Director at OCC, 250 E Street, S.W., Mail Stop 8-10, Washington, DC 20219.

(2) In any bankruptcy proceeding in which it is or may be contended that Respondent's obligation to pay a civil money penalty pursuant to this Order is subject to discharge, Respondent will in no manner contest the assertion of the Comptroller or any agent, officer, or representative of the United States, pursuant to 11 U.S.C. § 523(a) or otherwise, that the civil money penalty obligation in the Order arises out of acts that result in claims not dischargeable in bankruptcy.

ARTICLE V

WAIVERS

- (1) By executing this Order, Respondent waives:
 - (a) 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;
 - (b) all rights to seek judicial review of this Order;
 - (c) all rights in any way to contest the validity of this Order; and
 - (d) 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.

(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, except as permitted by 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 as permitted by 12 C.F.R. § 7.2014 and Part 359.

(3) 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 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 prohibition and civil money penalty proceedings contemplated by the Comptroller. The Comptroller agrees not to institute proceedings for the specific acts, omissions, or violations referenced in the “whereas” clauses, hereof, 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 in paragraph (4), shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting 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.

Ronald G. Schneck

for

6/05/2006

Date

Timothy W. Long
Senior Deputy Comptroller

/s/

Eldon B. "Brac" Thoma III

5/30/2006

Date