

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

<b>In the Matter of:</b>	)	
Richard N. Abrams	)	
Former Chairman and Chief Executive Officer	)	AA-EC-06-114
Surety Bank, N.A.	)	
Ft. Worth, Texas	)	

**CONSENT ORDER**

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) has initiated removal and prohibition, cease and desist, and civil money penalty proceedings against Richard N. Abrams (“Respondent”), former Chairman and CEO of Surety Bank, N.A., Ft. Worth, Texas (“Bank”) pursuant to 12 U.S.C. §§ 1818 (b), (e)(1) and (i), by filing and serving on February 1, 2007 a Notice of Charges for Issuance of Orders of Prohibition and to Cease and Desist and Notice of Assessment of a Civil Money Penalty (“Notices”); and

WHEREAS, the Comptroller charged Respondent with violations of law and/or regulation, unsafe and unsound banking practices, and breaches of fiduciary duties regarding a 30-day Certificate of Deposit program associated with the sale of the Bank’s San Antonio branches, the waiver of approximately \$24,150 in wire transfer fees, the Bank’s filing of an Interagency Notice of Change in Director or Senior Executive Officer pursuant to 12 U.S.C. § 1831i and 12 C.F.R. § 5.51 that contained misrepresentations or omissions of material facts, extensions of credit to officers and directors, and the

unauthorized and uncompensated use of the Bank’s premises by for-profit entities associated with Respondent and/or his family members; and

WHEREAS, Respondent filed an Answer and Request for Hearing (“Answer”) wherein Respondent denied all allegations of wrongdoing in the Notices, asserted affirmative defenses to certain charges in the Notices, and requested an evidentiary hearing before an impartial adjudicating authority to determine the factual and legal merit of the charges in the Notices; 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, Respondent desires to enter into this Consent Order (“Order”) issued pursuant to 12 U.S.C. §§ 1818(b) 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) Surety Bank, N.A., Ft. Worth, Texas (“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 is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

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(2) Respondent is a former Chairman and Chief Executive Officer 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 these cease and desist, prohibition, and civil money penalty proceedings against him pursuant to 12 U.S.C. §§ 1818(b), (e), and (i).

## Article II

### ORDER OF 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

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(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) Paragraph (1) of this Article shall not prohibit Respondent from negotiating the merger, sale of all or substantially all of the shares or assets (including the sale of Surety Bank or substantially all of its assets) of Surety Capital Corporation or any similar transaction (the “Sale”) or providing information in connection therewith, executing necessary agreements or documents to effect any such Sale, or voting his shares of Surety

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Capital Corporation in connection with any proposed Sale, provided that, Respondent obtains prior written consent from the Board of Governors of the Federal Reserve System.

(4) 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).

(5) 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 in the amount of fifteen thousand dollars (\$15,000), which shall be paid upon execution of this Order.

(2) Respondent shall make payment in full by check 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 shall be entered on all checks.

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(3) 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

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(b), (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

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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 cease and desist, 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 herein, 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,

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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

6/11/2007  
\_\_\_\_\_  
Date

/s/  
\_\_\_\_\_  
Richard N. Abrams

6/7/2007  
\_\_\_\_\_  
Date

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Date: \_\_\_\_\_