

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

In the Matter of:)
Terry K. Taylor)
Former Branch Manager)
First Horizon Home Loan Corporation, a subsidiary of)
First Tennessee Bank, N.A.)
Irving, TX)

AA-EC-07-76

STIPULATION AND CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against Terry K. Taylor (“Respondent”) pursuant to 12 U.S.C. § 1818(b) on the basis of Respondent’s activities as a former branch manager of the Maryville, TN office at First Horizon Home Loan Corporation, Irving, TX (“FHHL”), a subsidiary of First Tennessee, N.A., Memphis, TN (“Bank”); 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, without admitting or denying any wrongdoing, desires to enter into this Consent Order (“Order”) issued pursuant to 12 U.S.C. § 1818(b);

NOW, THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through his duly authorized representative, and Respondent that:

Initials _____
Date _____

Article I

JURISDICTION

(1) FHHLC is an operating subsidiary of the Bank, which 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. The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) Respondent was a former branch manager of the Bank’s operating subsidiary and thus 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 cease and desist against him pursuant to 12 U.S.C. § 1818(b).

Article II

COMPTROLLER’S FINDINGS

The Comptroller finds, and Respondent neither admits nor denies, the following:

(1) Respondent's employment with FHHLC began in 1995. While maintaining continuous employment with FHHLC at its Maryville, TN office, Respondent became Branch Manager in or around 1997. He maintained that position until January 2002.

(2) While Branch Manager, Respondent supervised JW Compton, an individual who was employed by FHHLC from April 2000 through December 2001 and who made loans at Deer Path.

(3) FHHLC mortgage applications for primary residence homes in the Deer Path Development were eligible for "Limited Project Review," provided that Respondent made a written certification ("Certification") stating that the project complied with certain Federal National Mortgage Association (FNMA) criteria for primary residence homes.

(4) Respondent's employment duties included thoroughly reading any and all forms completely prior to signing them. As such, Respondent should have read the Certification, confirmed that the application satisfied the primary residence loan criteria set forth in the Certification, and then, if such criteria were satisfied, signed the Certification.

(5) On two separate occasions in or around October 2001, Respondent signed the Certifications even though the mortgage loan applications did not satisfy the primary residence criteria listed in the Certifications. At the time Respondent signed the Certifications, he had knowledge of certain facts indicating that the mortgage loan applications did not satisfy the primary residence criteria. Respondent should have known not to sign these certifications.

Article III

PERSONAL CEASE AND DESIST ORDER

Pursuant to the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Respondent hereby consents to and it is Ordered that:

(1) In the event Respondent currently is employed at any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A) (hereinafter “insured depository institution”) or any institution that sells or transfers mortgage loans to any insured depository institution, he shall, within ten (10) days of the execution of this Order, provide a copy of the Order to (i) the chief executive officer of such institution or agency or (ii) the regional vice president in Respondent's reporting chain or another management official at a similar level, provided that such official has been approved in writing by the OCC for this purpose.

(2) Prior to accepting any position that would cause Respondent to become an institution-affiliated party (as defined in 12 U.S.C. §1813(u)) at any insured depository institution, Respondent shall provide a copy of this Order to (i) the chief executive officer of such institution or agency; or (ii) the regional vice president in Respondent's reporting chain or another management official at a similar level, provided that such official has been approved in writing by the OCC for this purpose.

(3) Within ten (10) days of satisfying the requirements of paragraphs (1) and/or (2) above, Respondent shall provide a written certification of his compliance to the

Director, Enforcement and Compliance Division, 250 E Street, SW, Washington, DC
20219.

(4) In connection with any existing or future employment subject to this
Article, Respondent shall:

- (a) Read any certification which he signs;
- (b) Not otherwise engage in any unsafe or unsound practices, as that term is used in Title 12 of the United States Code;
- (c) Comply fully with all laws, regulations, and policies applicable to any insured depository institution which employs him;
- (d) Fully observe his fiduciary duties of loyalty and care owed to any insured depository institution with which he is or may become affiliated, and
- (e) Adhere to the written policies and procedures of any insured depository institution or agency to which he may become affiliated, or seek and receive written permission from appropriate authorized individuals to do otherwise.

(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(b).

Article IV

WAIVERS

-5-

Initials _____
Date _____

- (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; and
 - (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.

(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 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 or his agents or employees to cause or induce Respondent to agree to consent to the issuance of this Order or to execute this Order.

(4) It is hereby agreed that the provisions of this Order constitute a settlement of the cease and desist proceedings arising out of the specific acts, omissions, or violations described in the Comptroller's Findings (Article II). However, the specific acts, omissions, or violations described in Article II may be used by the OCC in future enforcement actions to establish a pattern or practice of misconduct or the continuation of a pattern or practice of misconduct.

(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 and Respondent shall not 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/ Grace E. Dailey
Grace E. Dailey,
Deputy Comptroller
Large Bank Supervision

12/20/2007
Date

/s/ Terry K. Taylor
Terry K. Taylor

12/19/2007
Date