

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

In the Matter of: Van D. Sparkman Director Texas Republic Bank Frisco, Texas))))))	AA-SO-09-96
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CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate civil money penalty proceedings against Van D. Sparkman (“Respondent”) pursuant to 12 U.S.C. § 1818(i) based upon the Comptroller’s Findings contained in Article II of this Consent Order (which Respondent neither admits or denies);

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(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) Texas Republic Bank, N.A. (“Bank”) is a national banking association, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, as amended,

Initials: _____
Date: _____

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 is 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 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 this civil money penalty proceeding against him pursuant to 12 U.S.C. § 1818(i).

ARTICLE II

COMPTROLLER’S FINDINGS

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

(1) Respondent has been a longstanding member of the Bank’s Board of Directors, and he currently continues to serve in this capacity.

(2) Due to deteriorations in the condition of the Bank, on August 14, 2008, the Bank’s Board entered into a Formal Agreement with the Comptroller. Respondent was a signatory of the Formal Agreement and had a duty to use best efforts to ensure Bank compliance with the Formal Agreement.

(3) Management of the Bank requested extensions of the due dates for compliance with certain Articles of the Formal Agreement, which the Comptroller initially granted. However, the Board repeatedly failed to avail itself of the extensions.

(4) The Board failed to meet the deadline for compliance with the required capital minimums, although it was within the Board’s power to inject the required capital in the

timeframe allotted. After the Bank failed to meet the capital minimums, the Comptroller sent the Board a letter requiring the Board to submit a Capital Contingency Plan. To date, the Board has not submitted an acceptable Capital Contingency Plan.

(5) The Board also failed to take appropriate action to ensure bank compliance with substantive provisions of the Formal Agreement. As a result of the Board's failure to ensure compliance with the Allowance for Loan and Lease Losses Article, the Board filed a Report of Condition and Income for the period ending March 31, 2009 that contained significant inaccuracies, resulting in a violation of 12 U.S.C. § 161. The Comptroller subsequently mandated that the Bank refile this Report. The Bank refiled this Report.

(6) By reason of the foregoing conduct, Respondent breached his fiduciary duties to the Bank and enabled the Bank to continue to engage in unsafe and unsound practices.

ARTICLE III

ORDER FOR CIVIL MONEY PENALTY

Respondent hereby consents to and it is ordered that:

(1) Respondent shall make payment of a civil money penalty in the amount of one thousand dollars (\$1,000) 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 the check.

(3) Respondent shall send a copy of the check to the Director, Enforcement and Compliance Division, Office of the Comptroller of the Currency, 250 E Street SW, Washington, D.C. 20219, with reference to the docket number of this case.

(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) (as amended).

ARTICLE IV

WAIVERS

By executing this Order, Respondent waives:

(1) the right to the issuance of a Notice of Charges or Notice of Assessment of a Civil Money Penalty under 12 U.S.C. § 1818(b) and (i);

(2) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i) and 12 C.F.R. Part 19;

(3) all rights to seek judicial review of this Order;

(4) all rights in any way to contest the validity of this Order; and

(5) 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.

ARTICLE V

CLOSING

(1) 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 restitution 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.

(2) 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.

(3) 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 referenced in Article II of this Order, unless such acts, omissions, or violations reoccur.

(4) 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 3, 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.

(5) Respondent further agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, the specific acts, omissions, or violations referenced in this Order, or otherwise creating the impression that this Order is without factual basis. If Respondent violates this provision, the OCC may set aside this settlement and commence administrative proceedings on the actions alleged herein. Nothing in this paragraph shall affect Respondent's testimonial obligations.

(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.

(7) The terms of this Order, including this Paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or arrangements or negotiations between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned have hereunto set their hands.

/S/

Gil Barker
Deputy Comptroller
Southern District

1/6/2010

Date

/S/

Van D. Sparkman

1/5/2010

Date