

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

In the Matter of:)	
)	
Thomas E. Durham)	AA-EC-2012-51
Former Senior Vice President and)	
Commercial Loan Officer)	
First National Bank of Shelby)	
Shelby, North Carolina)	

NOTICE OF PROHIBITION

To: Thomas Durham, former Senior Vice President and Commercial Loan Officer,
First National Bank of Shelby, Shelby, North Carolina

WHEREAS, First National Bank of Shelby, Shelby, North Carolina, (“Bank”) is a national banking association chartered and examined by the Office of the Comptroller of the Currency of the United States of America (“Comptroller”) pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. §§ 1 *et seq.*; and

WHEREAS, Thomas Durham (“Respondent”) was serving as Senior Vice President and Commercial Loan Officer of the Bank until April 9, 2012, and is therefore an institution-affiliated party as defined in the Federal Deposit Insurance Act, as amended, 12 U.S.C. §§ 1813(u) and 1818(g); and

WHEREAS, the Respondent has been indicted with the commission of or participation in crimes involving dishonesty and breach of trust that are punishable by imprisonment for a term exceeding one year under State or Federal law, and with violations of 18 U.S.C. §§ 1956(h) and 1957. Specifically, on April 4, 2012, Respondent was indicted by a Grand Jury in the United States District Court for the Western District of North Carolina on thirteen (13) felony charges alleging that Respondent (i) conspired to

commit wire fraud in violation of 18 U.S.C. § 1349; (ii) misapplied bank funds with intent to defraud in violation of 18 U.S.C. § 656; (iii) conspired to commit money laundering in violation of 18 U.S.C. § 1956(h); and (iv) engaged in money laundering in violation of 18 U.S.C. § 1957; and

WHEREAS, the Comptroller deems it necessary to prohibit Respondent from further participation in any manner in the conduct of the affairs of any insured depository financial institution, agency, or entity specified in 12 U.S.C. § 1818(e)(7), in order to protect the public confidence in the Bank and the interests of the Bank's depositors, pending final resolution of the indictment outstanding against Respondent.

TAKE NOTICE, THEREFORE, that the Comptroller, acting by virtue of the authority conferred by 12 U.S.C. § 1818(g), hereby:

PROHIBITS Thomas E. Durham from further participation in any manner in the conduct of the affairs of any insured depository financial institution, agency, or entity specified in 12 U.S.C. § 1818(e)(7), EFFECTIVE IMMEDIATELY.

THIS PROHIBITION from further participation in any manner in the conduct of the affairs of any insured depository financial institution, agency, or entity specified in 12 U.S.C. § 1818(e)(7), is effective upon service and shall remain in effect and enforceable:

(a) until final disposition of the criminal proceedings; or (b) until terminated by the Comptroller.

Respondent is advised of his right to request, in writing within thirty (30) days of service of this Notice of Prohibition, an opportunity to show at an informal hearing that his continued service to or participation in the conduct of the affairs of any insured depository institution has not posed, does not pose, or is not likely to pose a threat to the

interests of the Bank's depositors or has not threatened, does not threaten, or is not likely to threaten to impair public confidence in the Bank.

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WITNESS, my hand given at Washington, DC, this 23rd day of May, 2012.

/s/ Jennifer C. Kelly_____

Jennifer C. Kelly

Senior Deputy Comptroller for Mid-Size and Community Bank Supervision