

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

<b>In the Matter of:</b>	)	
Lisa Brown Kessler	)	
Former Co-president and Director	)	AA-EC-2013-28
Home National Bank	)	
Blackwell, Oklahoma	)	

**CONSENT ORDER**

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate prohibition and cease and desist proceedings against Lisa Brown Kessler (“Respondent”) pursuant to 12 U.S.C. §§ 1818(b) and (e) on the basis of Respondent’s activities while serving as co-president and director of Home National Bank, Blackwell, Oklahoma (“Bank”) until her resignation from the Bank in May 2010;

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) and (e);

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) The 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 is the former co-president and member of the Bank’s Board of Directors 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 prohibition and cease and desist actions against her pursuant to 12 U.S.C. §§ 1818(b) and (e).

## **Article II**

### **COMPTROLLER’S FINDINGS**

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

(1) Respondent served as co-president and director of the Bank during the relevant period until her resignation in May 2010.

(2) In December 2008, Respondent caused or participated in causing the Bank to make payments of \$835,000 to herself and fellow co-president Trenton Brown, totaling \$1,670,000 (“payments”). At the time the payments were made, the Bank’s financial condition was deteriorating. The payments were made for the purpose of enabling Respondent and Mr. Brown to make payments due on their respective personal loans.

(3) Respondent failed to ensure that those payments were disclosed to and approved by the Bank’s Board of Directors or the Bank’s Compensation Committee.

(4) In 2009, Respondent caused or participated in causing the Bank to make a preferential loan renewal to her brother, Bank co-president Trenton Brown, in violation of Regulation O, 12 C.F.R. Part 215.

(5) In 2009, Respondent failed to ensure that the Bank properly managed its serious asset quality issues by failing to ensure that the Bank: properly risk-rated problem loans; sufficiently reserved for problem assets; ordered necessary appraisals; and appropriately charged off losses. As the result, the Bank was required to make a provision of approximately \$44 million to its allowance for loan and lease losses account and write-down its other real estate owned portfolio by approximately \$9 million as of December 31, 2009.

(6) By reason of the foregoing conduct, Respondent engaged in violations of law, unsafe or unsound practices and breached her fiduciary duty to the Bank; demonstrated willful and continuing disregard for the safety and soundness of the Bank,

and a reckless disregard for the law that resulted in gain to Respondent, risk of loss to the Bank's depositors, and loss to the Bank.

### **Article III**

#### **ORDER OF PROHIBITION**

Respondent consents to, and it is ORDERED that:

(1) With respect to the institutions and agencies set forth in paragraph (2) of this Article, Respondent hereby agrees that she 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, bank holding companies and 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 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) and (h) (as amended).

## Article IV

### ORDER FOR PAYMENT OF RESTITUTION

Respondent consents to, and it is ORDERED that:

(1) Upon execution of this Order, Respondent shall pay restitution of one hundred thousand dollars (\$100,000.00) to the Federal Deposit Insurance Corporation as receiver for Home National Bank– FIN #10256, FDIC Receivership Lock Box #971774, 14800 Frye Road, 2nd Floor, Ft. Worth, TX 76155.

(2) Within seven (7) days of payment, Respondent shall deliver a copy of proof of payment of restitution to Director, Enforcement & Compliance Division, Office of the Comptroller of the Currency, 400 7<sup>th</sup> Street, S.W., Washington, D.C. 20219. The docket number of this case (AA-EC-2013-28) must be included with your correspondence.

(3) Upon execution of this Order, Respondent shall notify the Director of the Enforcement & Compliance Division (“Enforcement Director”) of the address of her current place of residence, by completing the appropriate section of the form attached hereto as Appendix A and returning it with this Order.

(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 become final pursuant to 12 U.S.C. §§ 1818(b)(6) and (h) (as amended).

## **Article V**

### OTHER PROVISIONS

- (1) By executing this Order, Respondent waives:
  - (a) the right to the issuance of a Notice of Intention to Prohibit Further Participation and Notice of Charges for Issuance of an Order to Cease and Desist under 12 U.S.C. §§ 1818(b) and (e);
  - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (e) 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 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.

(3) Respondent acknowledges that she 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 her to agree to consent to the issuance of this Order or to execute this Order

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

(5) This Order shall not be construed as an adjudication on the merits and, except as set forth above in paragraph (4) of this Article, 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) Nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and 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 has hereunto set her hand.

s/ Lisa Brown Kessler

1/27/2014

\_\_\_\_\_  
Lisa Brown Kessler

\_\_\_\_\_  
Date

**IT IS SO ORDERED.**

s/ Kristina B. Whitaker

2/7/14

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Kristina B. Whittaker  
Deputy Comptroller for Special Supervision

\_\_\_\_\_  
Date