

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

In the Matter of:)	
Blas Betancourt)	
Former President, CEO, and Director)	AA-EC-12-97
)	
Security Bank, N.A.)	
North Lauderdale, Florida)	

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate civil money penalty proceedings against Blas Betancourt (“Respondent”) pursuant to 12 U.S.C. § 1818(i) on the basis of Respondent’s activities while serving as president, chief executive officer (“CEO”) and director of Security Bank, N.A., North Lauderdale, Florida (“Bank”), during the period of May 2010 to January 7, 2011;

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) The Bank was formerly 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. during the period relevant to this action. Accordingly, the Bank was an “insured depository

institution” as that term is defined in 12 U.S.C. § 1813(c)(2). The Bank was closed and the Federal Deposit Insurance Corporation (“FDIC”) was appointed Receiver on May 4, 2012.

(2) Respondent was the president, CEO and 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)(1), the Comptroller is the “appropriate Federal banking agency” to maintain enforcement proceedings against institution-affiliated parties. Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain these civil money penalty proceedings 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 served as president, CEO and director of the Bank during the period May 2010 to January 7, 2011.

(2) On May 19, 2010, Respondent voted to approve the renewal of four problem loans totaling \$635,000 to Bank customer Company A. The company was 66.67 percent owned by another Security Bank director. At the time of the renewals, Company A had a negative net worth, substantial year-to-date losses, and had failed to provide requested financial information. Company A’s problem loan renewals constitute a violation of 12 C.F.R. Part 215 (“Regulation O”) because (a) the loans were made to a related interest of a Bank insider with more than normal repayment risk and contained other unfavorable features and (b) a majority of the board did not authorize the renewal. The Bank ultimately sustained a loss from the Company A loans when, in late 2010, it charged off approximately \$628,996 of the unpaid loans.

(3) Mitchell Aronson (“Aronson”) was associated with the Bank during the period March 2007 to January 2011. Aronson pled guilty to and was convicted of the criminal offenses of conspiracy to conceal taxable income and evasion of income tax on April 13, 1988. Title 12 U.S.C. § 1829 prohibits “any person who has been convicted of any criminal offense involving dishonesty” from becoming or serving as an institution-affiliated party of any insured depository institution. Respondent was aware of Aronson’s prior criminal convictions, but voted to appoint Aronson to the position of Secretary of the Bank’s board of directors on May 7, 2010 and allowed Aronson to serve as a *de facto* Bank employee performing various administrative duties relating to the Bank’s non-performing loans and other real estate owned (“OREO”) properties. Thus, Respondent caused the Bank to violate 12 U.S.C. § 1829.

(4) By reason of the foregoing conduct, Respondent violated and/or caused the Bank to violate the law, engaged in unsafe or unsound banking practices and breached his fiduciary duty to the Bank.

Article III

ORDER FOR CIVIL MONEY PENALTY

Respondent consents to, and it is ORDERED that:

- (1) Respondent shall pay a civil money penalty in the amount of ten thousand dollars (\$10,000), which shall be paid according to the following payment schedule:
 - (a) Two thousand five hundred dollars (\$2,500) shall be paid upon Respondent’s execution of this Order;
 - (b) Two thousand five hundred dollars (\$2,500) shall be paid no later than September 30, 2014;

(c) Two thousand five hundred dollars (\$2,500) shall be paid no later than December 31, 2014; and

(d) The remaining two thousand five hundred dollars (\$2,500) shall be paid no later than March 31, 2015.

(2) Respondent shall make payment in full according to the schedule set forth above by certified check or money order 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 (AA-EC-12-97) shall be entered on each check or money order.

(3) Respondent shall deliver this signed Order and a copy of each payment to Director, Enforcement and Compliance Division (“Enforcement Director”), Office of the Comptroller of the Currency, 400 7th St S.W., Washington, DC 20219.

(4) If Respondent fails to comply with any provision of this Order, then the entire balance of the civil money penalty amount described in this Article shall become immediately due and payable.

(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(i).

Article IV

BANKRUPTCY

(1) If Respondent files for bankruptcy protection prior to payment in full of the civil money penalty ordered in Article III, Respondent shall notify the Enforcement Director within ten (10) days of the filing and shall provide a copy of the filing to the Enforcement Director.

(2) In any bankruptcy proceeding in which it is or may be contended that Respondent's obligation to pay a civil money penalty pursuant to this Order is subject to discharge, Respondent shall make a motion to the bankruptcy court for an order of non-dischargeability of the civil money penalty and provide the Enforcement Director with a copy of the motion, concurrent with filing, and a copy of any subsequently issued order within ten (10) days of issuance. If Respondent fails to make such motion, Respondent will in no manner contest the assertion of the Comptroller or any agent, officer or representative of the United States, pursuant to 11 U.S.C. § 523(a) or otherwise, that the civil money penalty obligation in the Order arises out of acts which result in claims not dischargeable in bankruptcy.

Article V

CLOSING

- (1) By executing this Order, Respondent waives:
- (a) the right to a Notice of Assessment of a Civil Money Penalty under 12 U.S.C. § 1818(i);
 - (b) 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;
 - (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 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. In addition, 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 and/or to execute this Order.

(4) This Order constitutes a settlement of any proceedings arising out of the acts, omissions, or violations described in the Comptroller's Findings (Article II of this Order). The Comptroller agrees not to institute proceedings for the specific acts, omissions, or violation referenced in the first whereas clause, hereof, unless such acts, omissions, or violations reoccur. 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 of misconduct or the continuation of a pattern of misconduct.

(5) This Order shall not be construed as an adjudication on the merits and, except as set forth above in paragraph four (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.

(7) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding the Comptroller or the United States. Respondent expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(8) This Order "is issued with the consent of ... the institution-affiliated party concerned," pursuant to 12 U.S.C. § 1818(h)(2).

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

(10) The provisions of this Order are effective upon issuance by the Comptroller through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller, through his authorized representatives.

IN TESTIMONY WHEREOF, the undersigned has hereunto set his hand.

/s/Blas Betancourt
Blas Betancourt

7/23/2014
Date

IT IS SO ORDERED.

/s/Henry Fleming
Henry Fleming
Director
Special Supervision Division

7/30/14
Date