

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: DC-10-023
)	
)	
RICHARD HERRERA)	Effective Date: August 11, 2010
)	
Former Employee of a Bank Certified Agent)	
and Institution-Affiliated Party of)	
State Farm Bank, FSB)	
Bloomington, Illinois)	
OTS Docket No. 14640)	
_____)	

ORDER OF PROHIBITION

WHEREAS, Richard Herrera (HERRERA) has executed a Stipulation and Consent to the Issuance of an Order of Prohibition (Stipulation); and

WHEREAS, HERRERA, by executing the Stipulation, has consented and agreed to the issuance of this Order of Prohibition (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 USC § 1818(e); and

WHEREAS, pursuant to delegated authority, the OTS Deputy Director, Examinations, Supervision and Consumer Protection, is authorized to issue Orders of Prohibition where the individual has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

Prohibition

1. HERRERA, except upon the prior written consent of OTS (acting through its Director or an authorized representative thereof) and any other “appropriate Federal financial institutions regulatory agency,” for purposes of 12 USC § 1818(e)(7)(B)(ii), shall not:

- a. hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 USC § 1818(e)(7)(A), including, but not limited to:
 - i. any insured depository institution as defined in 12 USC § 1813(c);
 - ii. any institution treated as an insured depository institution under 12 USC §§ 1818(b)(3) and 1818(b)(4) and any subsidiary thereof, or treated as a savings and loan holding company under 12 USC § 1818(b)(9) and any subsidiary thereof;
 - iii. any insured credit union under the Federal Credit Union Act (12 USC §§ 1751 et seq.);
 - iv. any institution chartered under the Farm Credit Act of 1971 (12 USC §§ 2001 et seq.);
 - v. any appropriate Federal depository institution regulatory agency, within the meaning of 12 USC § 1818(e)(7)(D); and
 - vi. the Federal Housing Finance Board and any Federal Home Loan Bank;
- b. solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 USC § 1818(e)(7)(A);

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: DC-10- 023
)	
)	
RICHARD HERRERA)	Effective Date: August 11, 2010
)	
Former Employee of a Bank Certified Agent)	
and Institution-Affiliated Party of)	
)	
State Farm Bank, FSB)	
Bloomington, Illinois)	
OTS Docket No. 14640)	
_____)	

STIPULATION AND CONSENT TO THE ISSUANCE OF AN
ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Deputy Director of Examinations, Supervision and Consumer Protection (Deputy Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed **Richard Herrera** (Herrera), a employee of a Bank Certified Agent of State Farm Bank, FSB, Bloomington, Illinois, OTS Docket No. 14640 (Association), that grounds exist to initiate an administrative prohibition proceeding against him pursuant to 12 U.S.C. § 1818(e)(2); and

WHEREAS, the Deputy Director, pursuant to delegated authority, is authorized to issue Orders of Prohibition where the individual has consented to the issuance of an order; and

WHEREAS, Herrera desires to cooperate with the OTS and to avoid the time and expense of such administrative prohibition proceeding by entering into this Stipulation and Consent to the Issuance of an Order of Prohibition (Stipulation) and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of the OTS, but only admitting the statements and conclusions in Paragraphs 1 - 3 below concerning Jurisdiction, hereby stipulates and agrees to the following:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Herrera was an employee of a Bank Certified Agent of the Association and is an “institution-affiliated party” as defined in 12 U.S.C. § 1813(u) and served in such capacity within six (6) years of the Effective Date as shown on the first page (see 12 U.S.C. § 1818(i)(3)).
3. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative prohibition proceeding against institution-affiliated parties. Therefore, Herrera is subject to the jurisdiction of the OTS to initiate and maintain an administrative prohibition proceeding against him pursuant to 12 U.S.C. § 1818(e)(2).

OTS Findings of Fact.

4. Herrera had been employed as a Bank Certified Agent of the Association at all times pertinent to the events described herein. OTS finds that HERRERA, from May 2003 to July

2006, engaged and participated in unsafe or unsound conduct in connection with the State Farm Insurance Company, a “business institution”, as he misappropriated approximately \$261,000 in customer funds for his own personal benefit.

5. Accordingly, the OTS finds that Herrera has committed a violation of a provision of subchapter II of chapter 53 of Title 31 of the United States Code and that such violation was not inadvertent or unintentional.

Consent.

6. Herrera consents to the issuance by the OTS of the accompanying Order of Prohibition (Order). Herrera further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

7. The Order is issued by the OTS under 12 U.S.C. § 1818(e)(2). Upon the Effective Date it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

8. Herrera waives the following:

- (a) the right to be served with a written notice of the OTS’s charges against him as provided by 12 U.S.C. § 1818(e) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS’s charges against him as provided by 12 U.S.C. § 1818(e) and 12 C.F.R. Part 509;

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this the OTS enforcement matter and/or the Order, whether arising under common law, federal statutes or otherwise.

OTS Authority Not Affected.

9. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting Herrera if, at any time, the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

Other Governmental Actions Not Affected.

10. Herrera acknowledges and agrees that his consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 9 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Herrera that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Acknowledgment of Criminal Sanctions.

11. Herrera acknowledges that the Stipulation and Order are subject to the provisions of 12 U.S.C. § 1818(j), which includes potential imprisonment of not more than five (5) years

and/or a fine of not more than \$1,000,000 for his knowing participation, directly or indirectly, in any manner, in the conduct of the affairs of an institution as set forth in the Order.

Miscellaneous.

12. The laws of the United States of America shall govern the construction and validity of this Stipulation and the Order.

13. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Deputy Director in his or her sole discretion determines otherwise.

14. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

15. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

16. The terms of this Stipulation and the Order represent the final agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters.

17. This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Deputy Director, or other authorized representative.

WHEREFORE. Herrera executes this Stipulation.

Accepted by:

Richard Herrera

By: RS/
Richard Herrera

By: RS/
Thomas A. Barnes
Deputy Director, Examinations, Supervision and
Consumer Protection

Date: See Effective Date on page 1