

et al
Neely
et al

UNITED STATES OF AMERICA

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

In the Matter of

THOMAS A. NEELY, JR.,
individually as an institution-
affiliated party of

REGIONS BANK
Birmingham, Alabama

(Insured State Member Bank)

Docket Nos. 14-020-E-I; 14-020-CMP-I

Order of Prohibition and Assessment of Civil
Monetary Penalty Upon Consent

WHEREAS, the Board of Governors of the Federal Reserve System (the "Board of Governors"), pursuant to sections 8(e) and (i)(3) of the Federal Deposit Insurance Act, as amended (the "FDI Act"), 12 U.S.C. § 1818(e) and (i)(3), issues this Order of Prohibition and Assessment of Civil Monetary Penalty (the "Order") upon the consent of Respondent THOMAS A. NEELY, JR. ("Neely"), a former employee and institution-affiliated party, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), of Regions Bank, Birmingham, Alabama ("Regions" or the "Bank"), a state-member bank;

WHEREAS, the Board of Governors and the Federal Reserve Bank of Atlanta conducted an investigation into the practices of Regions concerning whether the Bank, or any institution-affiliated party, as that term is defined in Section 1813(u) of the Federal Deposit Insurance Act, as amended (12 U.S.C. §§ 1813(u)) (the "FDI Act"), of the Bank had engaged or participated in any violations of law, rule or regulation, unsafe or unsound practices, or breaches of fiduciary duty in connection with, inter alia, Regions' reporting of commercial real estate loans or other

loans held by the Bank for nonaccrual status at the end of the first quarter of 2009, and the Bank's response to the Federal Reserve Bank of Atlanta's May 2009 targeted bank examination of the Bank's process for identifying and reporting nonaccrual loans;

WHEREAS, on June 25, 2014, the Board of Governors filed a Notice of Assessment of a Civil Money Penalty and Notice of Intent to Prohibit Pursuant to Section 8 of the FDI Act (the "Notice"), alleging:

(A) Neely, a former Executive Vice-President and Business Services Credit Executive of Regions, engaged in unsafe and unsound practices, breaches of fiduciary duty, and violations of law related to his involvement in the Bank's reporting of certain nonaccrual loans as accruing, performing loans for the first quarter of 2009 including removing certain loans from nonaccrual status in March 2009; and knowingly providing false and misleading information and concealing material information to federal and state bank examiners in connection with the targeted examination conducted by the Federal Reserve Bank of Atlanta in May 2009;

(B) in connection with this alleged misconduct Regions suffered financial loss or other damage and/or Neely received a financial gain or other benefit; and

(C) that Neely's misconduct involved personal dishonesty, or demonstrated willful or continuing disregard for the safety and soundness of Regions.

WHEREAS, the Board of Governors has considered the factors described in section 8(i)(2)(G) of the FDI Act in connection with the amount of the civil monetary penalty assessed;

WHEREAS, by affixing his signature hereunder, Neely has consented to the issuance of this Order by the Board of Governors and has agreed to comply with each and every provision of this Order, and has waived any and all rights he might have pursuant to 12 U.S.C. § 1818, 12 CFR Part 263, or otherwise: (a) to the issuance of a notice of intent to prohibit on any matter

implied or set forth in this Order; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any manner the basis, issuance, terms, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW THEREFORE, prior to adjudication of or finding on any issue of fact or law implied or set forth herein, and solely for the purpose of settlement of this proceeding without protracted or extended hearings or testimony:

IT IS HEREBY ORDERED,

Prohibition

1. Pursuant to sections 8(e) and (i)(3) of the FDI Act, 12 U.S.C. §§ 1818(e) and (i)(3), that Neely, without the prior written approval of the Board of Governors and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act, 12 U.S.C. § 1818(e)(7)(B), another Federal financial institutions regulatory agency, is hereby and henceforth prohibited from:

(a) participating in any manner in the conduct of the affairs of any institution or agency specified in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), including, but not limited to, any insured depository institution or any holding company of an insured depository institution, or any subsidiary of such holding company;

(b) soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A);

(c) violating any voting agreement previously approved by any Federal banking agency; or

(d) voting for a director, or serving or acting as an institution-affiliated party, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), such as an officer, director or employee, in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A).

Assessment of Civil Money Penalty

2. The Board of Governors hereby imposes a civil money penalty on Neely in the amount of \$100,000.00, of which \$75,000.00 shall be paid upon the execution of this Order by Fedwire transfer of immediately available funds to the Federal Reserve Bank of Richmond, ABA No. 1000033, beneficiary, Board of Governors of the Federal Reserve System, and the remaining balance (\$25,000.00) shall be remitted no later than February 5, 2016. The Federal Reserve Bank of Richmond, on behalf of the Board of Governors, shall distribute this sum to the U.S. Department of the Treasury, pursuant to section 8(i) of the FDI Act (12 U.S.C. § 1818(i)).

Notices

3. All communications regarding this Order shall be addressed to:

(a) Richard M. Ashton, Esq.
Deputy General Counsel
Patrick M. Bryan, Esq.
Assistant General Counsel
Board of Governors of
the Federal Reserve System
20th & C Sts. N.W.
Washington, DC 20551

(b) Thomas A. Neely, Jr.
3308 Cherokee Road
Birmingham, AL 35223

With a copy to:

Augusta S. Dowd, Esq.
White Arnold & Dowd P.C.
2025 Third Avenue North, Suite 500

Birmingham, AL 35203

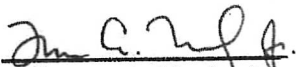
4. Any violation of this Order shall separately subject Neely to appropriate civil or criminal penalties, or both, under sections 8(i) and (j) of the FDI Act, 12 U.S.C §§ 1818(i) and (j).

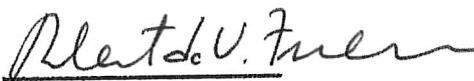
5. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any other Federal or state agency or department, from taking any other action affecting Neely; provided, however, that the Board of Governors shall not take any further action against Neely on any matters concerning or arising from the matters addressed by the Notice or this Order based upon facts presently known by the Board of Governors. This release and discharge shall not preclude or affect (i) any right of the Board of Governors to determine and ensure compliance with this Order, or (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order.

6. Each provision of this Order shall remain fully effective and enforceable until expressly stayed, modified, terminated, or suspended in writing by the Board of Governors.

By order of the Board of Governors of the Federal Reserve System, effective this 16 day of October, 2015.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


Thomas A. Neely Jr.

By: 
Robert deV. Frierson
Secretary of the Board