UNITED STATES OF AMERICA BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM WASHINGTON, D.C.

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In the Matter of)	Docket No. 06-020-E-I
Seresa T. Morgan,)	Order of Prohibition
A Former Institution-Affiliated Party of)	Issued Upon Consent Pursuant to Section 8(e) of the Federal Deposit
Civitas BankGroup, Inc.)	Insurance Act, as Amended
Franklin, Tennessee)	
)	

WHEREAS, 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)), the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this consent Order of Prohibition (the "Order") against Seresa T. Morgan ("Morgan"), a former institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(3)), of Civitas BankGroup, Inc., Franklin, Tennessee, previously known as Cumberland Bancorp, Inc., a registered bank holding company ("Civitas");

WHEREAS, on January 5, 2007, the Board of Governors issued a Notice of Intent to Prohibit Issued Pursuant to Section 8(e) of the Federal Deposit Insurance Act, as amended (the "Notice") against Morgan alleging that when Morgan was employed by Civitas, she allegedly participated in violations of law, unsafe or unsound practices, and breaches of fiduciary duty in connection with the embezzlement of over \$197,000 from Civitas, and falsification of its books and records; that she was thereafter terminated from

her position as an employee of Civitas; and that she had executed a promissory note requiring her to make repayment to Civitas;

WHEREAS, on January 12, 2007, Morgan filed an answer to the Notice; and WHEREAS, this Order resolves the proceeding initiated by issuance of the Notice; and

WHEREAS, by affixing her signature hereunder, Morgan 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 she might otherwise have pursuant to 12 U.S.C. § 1818 or 12 C.F.R. Part 263, or otherwise: (a) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (b) to obtain judicial review of this Order or any provision hereof; and (c) 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 the taking of any testimony or adjudication of, or finding on, any issue of fact or law implied or set forth herein, and without this Order constituting an admission by Morgan of any allegation made or implied by the Board of Governors in connection with this proceeding, and solely for the purpose of settlement of this proceeding without protracted hearings or testimony:

IT IS HEREBY ORDERED, pursuant to sections 8(e) and 8(b)(3) of the FDI Act (12 U.S.C. §§ 1818(e) and (b)(3)), that:

1. Morgan, 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;
- (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; and
- (d) voting for a director, or serving or acting as an institution-affiliated party, 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)).
 - 2. All communications regarding this Order shall be addressed to:
 - (a) Mr. John H. Atkinson
 Assistant Vice President
 Department of Banking Supervision and Regulation
 Federal Reserve Bank of Atlanta
 1000 Peachtree Street, N.E.
 Atlanta, GA 30309-4470
 - (b) Ms. Seresa T. Morgan 304 Highland Heights Goodlettsville, TN 37072

With a copy to:

(c) Larry D. Woods, Esq. P.O. Box 24727 Nashville, TN 37202

- 3. Any violation of this Order shall separately subject Morgan 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)).
- 4. 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 Morgan.
- 5. 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 effective this 22nd day of February, 2007.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

(signed)	(signed)
	By:
Seresa T. Morgan	Jennifer J. Johnson
	Secretary of the Board