

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

In the Matter of

ERICA RACHAL, a/k/a ERIKA RACHAL, a/k/a
ERICA SCHARNAGL,

A former institution-affiliated party of Rabo
AgriFinance LLC, a nonbank subsidiary of
Cooperatieve Rabobank U.A., a foreign financial
holding company.

Docket No. 22-006-E-I

Order of Prohibition Issued Upon
Consent Pursuant to Section 8(e) of
the Federal Deposit Insurance Act, as
Amended

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”), pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. § 1818(e), issues this Order of Prohibition (this “Order”) upon the consent of Respondent Erica Rachal, a/k/a Erika Rachal, a/k/a Erica Scharnagl (“Rachal”), a former institution-affiliated party, as defined in sections 3(u) and 8(b)(4) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(4), of Rabo AgriFinance LLC (“RAF”), a nonbank subsidiary of Cooperatieve Rabobank U.A. (together with RAF, “Rabo”), a foreign financial holding company;

WHEREAS, Rachal was employed as a Field Marketing Manager, East Territory, at RAF from June 2013 until her termination pursuant to a restructure on October 27, 2020;

WHEREAS, following Rachal’s termination, Rabo determined that, from May 2017 through her termination, Rachal : (1) submitted and was reimbursed for duplicate expense reports, personally financially benefiting in the amount of at least \$37,000; (2) submitted and was reimbursed for multiple expense reports for the same expense item(s) where the final price changed from that originally submitted, personally financially benefiting in the amount of at least

\$8,000; and (3) failed to repay RAF for canceled, discounted, or refunded expense items for which she had previously been reimbursed, personally financially benefiting in the amount of at least \$19,000;

WHEREAS, Rachal's conduct constituted violations of law or regulation and unsafe or unsound practices;

WHEREAS, Rachal's conduct caused Rabo to suffer a financial loss in the amount of at least \$64,000, and posed legal and reputational risks to Rabo;

WHEREAS, Rachal's conduct involved her personal dishonesty or demonstrated her willful or continuing disregard for Rabo's safety and soundness;

WHEREAS, Rachal has separately paid restitution to Rabo in the full amount of its loss; and

WHEREAS, by affixing her signature hereunder, Rachal 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 have pursuant to 12 U.S.C. § 1818, 12 C.F.R. Part 263, or otherwise: (a) to the issuance of a notice of intent to prohibit on any other 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, before the filing of any notices, or the taking of any testimony or adjudication of or finding on any issue of fact or law herein, and without Rachal's admitting or denying any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted litigation or extended litigation,

IT IS HEREBY ORDERED that:

1. Rachal, 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, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or 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).

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

- a. Richard M. Ashton, Esq.
Deputy General Counsel
David Williams, Esq.
Associate General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, DC 20551
- b. Erica Rachal

with a copy to:

Gary Springstead, Esq.
Springstead, Bartish, Borgula & Lynch PLLC
28A W. Main Street
Fremont, MI 49412

3. Any violation of this Order shall separately subject Rachal 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 Rachal; provided, however, that the Board of Governors shall not take any further action against Rachal on any matters concerning or arising from the matters addressed by 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.

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 of the Federal Reserve System, effective this 21st day
of March, 2022.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/ _____
Erica Rachal

By: /s/ _____
Ann E. Misback
Secretary of the Board