

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

In the Matter of:	)	Docket No. 09-118-E-I17
	)	
James Buckley Saunders,	)	
a former Institution- Affiliated Party of:	)	Order of Prohibition
	)	Issued Upon Consent Pursuant to
Wells Fargo Financial, Inc.,	)	Section 8(e) of the Federal
Des Moines, Iowa,	)	Deposit Insurance Act, as Amended
a nonbank subsidiary of	)	
	)	
Wells Fargo & Company,	)	
San Francisco, California,	)	
a registered bank holding company	)	

WHEREAS, pursuant to sections 8(e) and 8(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 Order of Prohibition (the "Order") upon the consent of James Buckley Saunders, a former employee and institution-affiliated party, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), of Wells Fargo Financial, Inc. ("WFF"), at all relevant times a direct, wholly owned subsidiary of Wells Fargo & Company, San Francisco, California ("Wells Fargo"), a registered bank holding company.

WHEREAS, Saunders, while employed as a credit manager at a branch of WFF in El Paso, Texas, allegedly engaged in violations of law, unsafe and unsound banking

practices, and breaches of fiduciary duty that have caused or probably will cause losses to WFF or resulted in benefit to Saunders, including, *inter alia*, (a) knowingly fabricating or manipulating the income documents of prospective WFF sub-prime home mortgage borrowers to make it appear to WFF underwriters that the borrowers were more creditworthy than they actually were under WFF's underwriting criteria or to conceal from the underwriters the borrowers' actual employment status; and (b) knowingly undertaking measures to make it appear that other prospective WFF home mortgage borrowers were less creditworthy than they actually were in order to avoid referral or transfer of such borrowers from WFF, a sub-prime lender, to a WFF affiliate that was a prime lender.

WHEREAS, by affixing his signature hereunder, Saunders 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 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 Saunders 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 or extended hearings or testimony:

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

1. Saunders, 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.

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

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

(b) Mr. James Buckley Saunders  
[address]

With a copy to:

Jim Darnell, Esq.  
310 N. Mesa, Suite 212  
El Paso, TX 79901  
915-532-2442 (phone)  
915-532-4549 (fax)  
[jdarnell@jdarnell.com](mailto:jdarnell@jdarnell.com)

3. Any violation of this Order shall separately subject Saunders 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 Saunders; provided, however, that the Board of Governors shall not take any further action against Saunders relating to the matters addressed by this Order based upon facts presently known by the Board of Governors.

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.

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17 By order of the Board of Governors of the Federal Reserve System, effective this  
day of August, 2010.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM



James Saunders



By:

Jennifer J. Johnson  
Secretary of the Board