



practices, and breaches of his fiduciary duty regarding the misapplication of the Bank's funds and falsification of the Bank's books and records; and

WHEREAS, by affixing his signature hereunder, Frierson has consented to the issuance of this Order by the Board of Governors and has waived any and all rights he might otherwise have pursuant to section 8 of the FDI Act (12 U.S.C. 1818) and 12 C.F.R. Part 263, or otherwise (a) to the issuance of a notice of intent to prohibit and a notice of charges on any matter 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, validity, terms, 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 of any allegation made or implied by the Board of Governors in connection herewith:

IT IS HEREBY ORDERED, pursuant to sections 8(b)(6), (e), (i)(3), and (j) of the FDI Act (12 U.S.C. 1818(b)(6), (e), (i)(3), and (j)), that:

1. Within 90 days of this Order, Frierson shall pay the Bank \$556,080, plus any additional interest accrued through the date of payment, as restitution to the Bank for the

outstanding extensions of credits that were made directly or indirectly to Frierson in violation of law or Regulation O.

2. No portion of the restitution payment required by paragraph 1 hereof shall be, directly or indirectly, paid, advanced, reimbursed or otherwise funded by the Bank.

3. Frierson, 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 institution regulatory agency, is hereby and henceforth prohibited:

(a) From 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, any insured depository institution holding company or any U.S. branch or agency of a foreign banking organization;

(b) from 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;

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

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

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

(a) Timothy A. Bosch  
Vice President  
Federal Reserve Bank of St. Louis  
Post Office Box 442  
St. Louis, Missouri 63166

(b) Frank White  
Commissioner  
Arkansas State Bank Department  
400 Hardin Road, Suite 100  
Little Rock, Arkansas 72211-3502

(c) Terry Frierson  
2400 Autumn  
Jonesboro, Arkansas 72404

5. Any violation of this Order shall separately subject Frierson to appropriate criminal or civil penalties or both under section 8 of the FDI Act (12 U.S.C. 1818).

6. The provisions of this Order shall not bar, estop or otherwise prevent the Board of Governors or any federal or state agency or department from taking any other action affecting Frierson or the Bank or any former or current institution-affiliated parties thereof.

7. This Order, and each and every provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board of Governors.

8. Notwithstanding any provision of this Order, the Reserve Bank may, in its discretion, grant written extensions of time to Frierson to comply with paragraph 1 of this Order.

By order of the Board of Governors effective this 3<sup>rd</sup> day of March, 2003.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

  
\_\_\_\_\_  
Terry Frierson

By:   
\_\_\_\_\_  
Jennifer U. Johnson  
Secretary of the Board