

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

_____)	
In the Matter of)	Docket No. 07-030-E-I
ALDO N. MORALES)	Order of Prohibition
A Former Institution-Affiliated)	Issued Upon Consent
Party of Coconut Grove Bank,)	Pursuant to Section 8(e)
Miami, Florida)	of the Federal Deposit
_____)	Insurance Act, as Amended

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 Order of Prohibition upon the consent of Aldo N. Morales, former Vice President and institution-affiliated party, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), of Coconut Grove Bank, Miami, Florida (the “Bank”), a state member bank, relating to Morales’ participation in alleged violations of law, unsafe and unsound banking practices, and breaches of fiduciary duties to the Bank, in connection with his activities as a lending officer with respect to the Bank’s dealer-referred sub-prime automobile lending program, including (1) Morales’ repeated extension of loans to uncreditworthy borrowers, many of whom applied for loans based on questionable documentation that Morales knew was not verified by himself or anyone else at the Bank; (2) Morales’ repeated actions when loans were delinquent or in default to conceal delinquencies by manipulating the Bank’s accounting and computer systems to extend and enlarge

payment due dates; and (3) Morales' receipt of gifts from dealer representatives in connection with extensions of sub-prime automobile loans.

WHEREAS, Morales resigned from his position at the Bank on December 31, 2002;

WHEREAS, by affixing his signature hereunder, Morales 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 C.F.R. 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 Morales 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. 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, Morales 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; 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) 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) Mr. Aldo N. Morales,
c/o Manuel F. Fente, Esq.
110 Brickell Avenue
7th Floor
Miami, FL 33131

