



FEDERAL  
RESERVE  
BANK  
of ATLANTA

ALLEN D. STANLEY  
Assistant Vice President

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October 2, 2008

Sherry T. Houpt

████████████████████  
Linwood, N.C. 27299

Re: Criminal Conviction – Prohibition from Banking Industry

Dear Ms. Houpt:

The Federal Reserve Bank of Atlanta has become aware that you were convicted upon a plea of guilty of bank embezzlement in connection with your employment by SunTrust Bank. A copy of your judgment of conviction is attached. Because you have been convicted of a crime involving dishonesty or breach of trust, you are automatically subject to the prohibitions set forth in Section 19 of the Federal Deposit Insurance Act, as amended (“Section 19”)(12 U.S.C. § 1829) for banking organizations and in Section 205 of the National Credit Union Act, as amended (“Section 205(d)”) (12 U.S.C. § 1785(d)) for insured credit unions.

Section 19 and Section 205(d) prohibit you from becoming or continuing as an institution-affiliated party with respect to any of the banking organizations or credit unions described below. This means that you may not, among other things, act as an employee, officer, director, or agent of these banking organizations or credit unions. Nor may you otherwise participate, directly or indirectly, in the conduct of the affairs of any of these organizations. You are also prohibited from directly or indirectly owning or controlling any insured depository institution or holding company. These statutes do not prohibit you from being a normal, arms-length customer of a banking organization or credit union, such as having a loan, checking or savings account.

The prohibitions of Section 19 and Section 205(d) cover all insured depository institutions, including, but not limited to, any bank, savings association or credit union, and their holding companies, as well as Edge corporations and Agreement corporations. The Federal Deposit Insurance Corporation may grant written consent for you to engage in otherwise prohibited conduct with respect to insured depository institutions, and the Federal Reserve may grant written consent with respect to bank holding companies and Edge and Agreement corporations. The Office of Thrift Supervision may grant consent with respect to savings and loan association holding companies. The National Credit Union Administration Board may grant consent for insured credit unions. The automatic prohibition does not cover non-bank subsidiaries of bank holding companies or uninsured branches or agencies of foreign banks, unless the appropriate federal banking agency takes further action against you.

Should you engage in prohibited conduct without obtaining the required consent from the appropriate agency, you could be subject to daily criminal fines of up to \$1,000,000 or up to five years imprisonment.

This letter will be posted on the website of the Board of Governors of the Federal Reserve System. If you believe that the prohibitions of Section 19 and Section 205(d) do not apply to you, because, for example, your conviction has been reversed on appeal, or for any other reason, please contact Assistant Vice President Kathryn Hinton in writing at this Reserve Bank.

Sincerely,



Allen D. Stanley

cc: Stephen Meyer  
Assistant General Counsel  
Board of Governors  
Legal Division – Mail Stop 13  
Washington, D.C. 20551

Special Activities Section  
Division of Supervision  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street N.W.  
Washington, D.C. 20429

Director, Department of Supervision  
National Credit Union Administration  
700 Central Parkway  
Suite 1600  
Atlanta, Georgia 30328

North Carolina Commissioner  
of Banks  
4309 Mail Service Center  
Raleigh, N.C. 27699-4309

Lane Keziah  
Regional Security Manager  
SunTrust Bank  
303 Peachtree Street  
Atlanta, Georgia 30308

Harry L. Hobgood  
Assistant U.S. Attorney  
Office of U.S. Attorney  
Post Office Box 1858  
Greensboro, N.C. 27402

David B. Freedman  
Crumpler Freedman Parker & Witt  
301 N. Main Street, Suite 700  
Winston-Salem, N.C. 27101

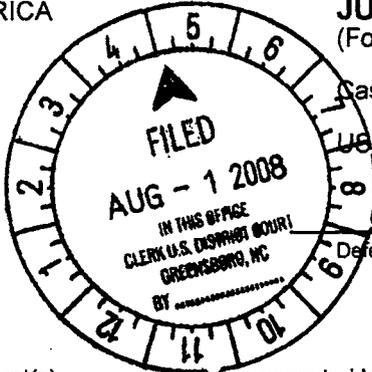
Todd Bethany  
SunTrust Bank Central Point of Contact  
Federal Reserve Bank of Atlanta

Pierce Nelson  
Public Affairs  
Federal Reserve Bank of Atlanta

**ENTERED ON DOCKET** **United States District Court**  
**R. 55** **Middle District of North Carolina**

**AUG - 4 2008**  
 UNITED STATES OF AMERICA

BY   
 SHERRY TAYLOR HOUPT



**JUDGMENT IN A CRIMINAL CASE**  
 (For Offenses Committed On or After November 1, 1987)

Case Number: 1:07CR392-1

USM Number: 24030-057

Defendant's Attorney: David B. Freedman

**THE DEFENDANT:**

- pleaded guilty to count 1
- pleaded nolo contendere to count(s) \_\_\_\_\_ which was accepted by the court.
- was found guilty on count(s) \_\_\_\_\_ after a plea of not guilty.

ACCORDINGLY, the court has adjudicated that the defendant is guilty of the following offense(s):

<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Date Offense Concluded</u>	<u>Count Number(s)</u>
18:656	Bank Embezzlement	03/28/2007	1

The defendant is sentenced as provided in pages 2 through 6 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- The defendant has been found not guilty on count(s)
- Count(s) \_\_\_\_\_ (is)(are) dismissed on the motion of the United States.

IT IS FURTHER ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant shall notify the court and United States Attorney of any material change in the defendant's economic circumstances.

June 27, 2008

Date of Imposition of Judgment

Signature of Judicial Officer

N. Carlton Tilley, Jr., United States District Judge

Name & Title of Judicial Officer

Date

**8/1/2008**

DEFENDANT: SHERRY TAYLOR HOUP  
CASE NUMBER: 1:07CR392-1

**IMPRISONMENT**

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of 30 months.

The court makes the following recommendations to the Bureau of Prisons:

The defendant is remanded to the custody of the United States Marshal.

The defendant shall surrender to the United States Marshal for this district.

at 12:00 noon on August 8, 2008. In lieu of reporting to the Marshal's Office, the Defendant shall be allowed to report to her designated facility within the Bureau of Prisons at her own expense and at whatever time she is instructed to report.

as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

before 2 pm on \_\_\_\_\_ .

as notified by the United States Marshal.

as notified by the Probation or Pretrial Services Office.

**RETURN**

I have executed this judgment as follows:

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_ at \_\_\_\_\_, with a certified copy of this judgment.

\_\_\_\_\_  
UNITED STATES MARSHAL

BY \_\_\_\_\_  
DEPUTY US MARSHAL

DEFENDANT: SHERRY TAYLOR HOUPT  
CASE NUMBER: 1:07CR392-1

## SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of **five (5) years**.

The defendant shall report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state, or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.

- The above drug testing condition is suspended based on the court's determination that the defendant poses a low risk of future substance abuse. (Check, if applicable).
- The defendant shall not possess a firearm, destructive device, or any other dangerous weapon. (Check, if applicable)
- The defendant shall cooperate in the collection of DNA as directed by the probation officer. (Check, if applicable)
- The defendant shall register with the state sex offender registration agency in the state where the defendant resides, works, or is a student, as directed by the probation officer. (Check, if applicable)
- The defendant shall participate in an approved program for domestic violence. (Check, if applicable)

If this judgment imposes a fine or a restitution obligation, it is a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page.

## STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within 72 hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

DEFENDANT: SHERRY TAYLOR HOIPT  
CASE NUMBER: 1:07CR392-1

### **SPECIAL CONDITIONS OF SUPERVISION**

The defendant shall provide any requested financial information to the probation officer.

The defendant shall not incur any new credit charges or open additional lines of credit without the approval of the probation officer.

The defendant shall cooperatively participate in a mental health treatment program, which may include inpatient/residential treatment, and pay for treatment services, as directed by the probation officer.

The defendant shall notify the Court of any material change in economic circumstances that might affect his or her ability to pay restitutions, fines or special assessment.

DEFENDANT: SHERRY TAYLOR HOUPT  
CASE NUMBER: 1:07CR392-1

**CRIMINAL MONETARY PENALTIES**

The defendant shall pay the following total criminal monetary penalties under the Schedule of Payments sheet.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
<b>Totals</b>	\$ 100.00	\$	\$ 492,222.00

The determination of restitution is deferred until \_\_\_\_\_ . An Amended Judgment in a Criminal Case (AO245C) will be entered after such determination.

The defendant shall make restitution (including community restitution) to the following payees in the amounts listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportional payment unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all non-federal victims must be paid in full prior to the United States receiving payment.

<u>Name of Payee</u>	<u>**Total Amount of Loss</u>	<u>Amount of Restitution Ordered</u>	<u>Priority Order or % of Payment</u>
SunTrust Bank	\$492,222.00	\$492,222.00	
<b><u>Totals:</u></b>	<b>\$ 492,222.00</b>	<b>\$ 492,222.00</b>	

Restitution amount ordered pursuant to plea agreement: \$

The defendant shall pay interest on any fine of more than \$2,500, unless the fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 5, Part B, may be subject to penalties for default and delinquency pursuant to 18 U.S.C. § 3612(g).

The court determined that the defendant does not have the ability to pay interest and it is ordered that:

the interest requirement is waived for the  fine and/or  restitution.

the interest requirement for the  fine and/or  restitution is modified as follows:

\*\* Findings for the total amount of losses are required under Chapters 109A, 110A, and 113A of Title 18, United States Code, for offenses committed on or after September 13, 1994 but before April 24, 1996.

DEFENDANT: SHERRY TAYLOR HOUPT  
CASE NUMBER: 1:07CR392-1

### SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties shall be due as follows:

- A  Lump sum payment of \$ 100.00,  
 not later than June 27, 2008 at 5:00 p.m. and balance due  
 in accordance with  C,  D or,  E below; or
- B  Payment to begin immediately (may be combined with  C,  D, or  E below); or
- C  Payment in \_\_\_\_\_ (equal, weekly, monthly, quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ (e.g., months or years), to commence \_\_\_\_\_ (e.g., 30 or 60 days) after the date of this judgment; or
- D  Payment in monthly installments of \$ 200.00, to commence 60 days after release from imprisonment to a term of supervision and every 30 days thereafter.
- E  Payment during the term of supervised release will commence within \_\_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F  Special instructions regarding the payment of criminal monetary penalties:

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are to be made to the Clerk of Court, United States District Court for the Middle District of North Carolina, P. O. Box 2708, Greensboro, NC 27402, unless otherwise directed by the court, the probation officer, or the United States Attorney. **Nothing herein shall prohibit the United States Attorney from pursuing collection of outstanding criminal monetary penalties.**

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Defendant Name, Case Number, and Joint and Several Amount:

The defendant shall pay the cost of prosecution.

The defendant shall pay the following court cost(s):

The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment; (2) restitution principal; (3) restitution interest, (4) fine principal, (5) community restitution, (6) fine interest, (7) penalties, and (8) costs, including cost of prosecution and court costs.