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

In the Matter of	Docket No. 04-019-B-I1
THOMAS C. DARDEN	Cease and Desist Order
	Issued Upon Consent Pursuant to the
An Institution-Affiliated Party of	Federal Deposit Insurance Act, as Amended
Kenco Bancshares, Inc.	
Jayton, Texas	

WHEREAS, pursuant to sections 8(b)(1) and (3) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1818(b)(1) and (3)) (the "FDI Act"), the Board of Governors of the Federal Reserve System (the "Board of Governors") issues upon consent this Cease and Desist Order (the "Order") against Thomas C. Darden ("Darden"), an institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act (12 U.S.C. 1813(u) and 1818(b)(3)), of Kenco Bancshares, Inc., Jayton, Texas ("Kenco"), a registered bank holding company that owns and controls the Kent County State Bank, Jayton, Texas (the "Bank"), based on Darden's unsafe and unsound practice related to his violation of a commitment made in connection with a notice filed with the Board of Governors;

WHEREAS, in December 2001, the Federal Reserve Bank of Dallas (the "Reserve Bank"), notified Darden, William J. Collier, and Jesse L. Reese (collectively, the "Control Group"), Robert G. Hall ("Hall"), chairman of the board of directors of Kenco, and Bob E. Hamilton, a member of the board of directors of Kenco, that the Reserve Bank did not intend to disapprove the Control Group's proposed acquisition of Kenco pursuant to the Change in Bank Control Act (12 U.S.C. 1817(j)), subject to several commitments made by Darden, including a

commitment that Darden not be appointed as a director, officer, employee or have any other duties or responsibilities with respect to Kenco without the prior approval of the Reserve Bank (the "Commitment");

WHEREAS, in December 2001 the Reserve Bank notified Hall that it would not oppose the change-in-control request conditioned on compliance with all the commitments made by Darden;

WHEREAS, Darden has acknowledged that he received notice that the Reserve Bank would not oppose the change-in-control request conditioned on his compliance with the Commitment and the other commitments;

WHEREAS, in 2002, in violation of the Commitment, Darden was an employee, agent, or had other duties and responsibilities with respect to Kenco in regard to the sale of Kenco bonds;

WHEREAS, in January 2004, in violation of the Commitment, Darden was elected as a director of Kenco; and

WHEREAS, by affixing his signature hereunder Darden has consented to the issuance of this Order by the Board of Governors and to comply with each provision of this Order, and has waived any and all rights that he may have pursuant to section 8 of the FDI Act (12 U.S.C. 1818) to a hearing for the purpose of taking evidence on any matters set forth in this Order; to judicial review of this Order; and to challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provisions hereof.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to sections 8(b) (1) and (3) of the FDI Act, that:

1.   Darden shall (a) comply with the Commitment, and (b) immediately notify the

Reserve Bank in writing anytime any action is taken by Darden regarding the Commitment.

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

> (a)   Mr. W. Arthur Tribble
> Vice President
> Federal Reserve Bank of Dallas
> P.O. Box 655906
> Dallas, Texas 75265

> (b)   Mr. Thomas C. Darden
> 4006 92nd Street
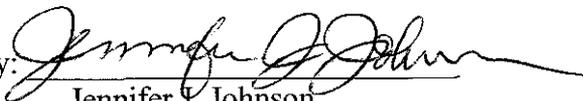> Lubbock, Texas 79423

3.   The provisions of this Order shall not bar, estop or otherwise prevent the Board of

Governors, the Reserve Bank or any other federal or state agency or department from taking any

other action affecting Darden or Kenco, or any of their current or former institution-affiliated

parties.

By order of the Board of Governors effective this _15TH_ day of _November_ 2004

Board of Governors of the
Federal Reserve System

_____   By: _____
Thomas C. Darden   Jennifer J. Johnson
                                        Secretary of the Board

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