

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

_____)	
In the Matter of)	Docket No. 06-026-E-I
TRACY A. SCHROEDER)	Order of Prohibition
A Former Institution-Affiliated)	Issued Upon Consent
Party of First Interstate Bank,)	Pursuant to Section 8(e) of the
Bozeman, Montana)	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 Tracy A. Schroeder, a former branch manager and institution-affiliated party, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), of First Interstate Bank, Bozeman, Montana (the “Bank”), a state member bank, relating to Schroeder’s alleged participation in violations of law, unsafe and unsound banking practices, and breaches of fiduciary duty to the Bank and its customers in connection with her alleged embezzlement of \$34,632 from the Bank and falsification of the Bank’s books and records;

WHEREAS, Schroeder was terminated from her position as a branch manager at the Bank;

WHEREAS, Schroeder has made restitution to the Bank in the amount of \$34,632; and

WHEREAS, by affixing her signature hereunder, Schroeder has agreed to the issuance of this Order by the Board of Governors and has consented to comply with each and every provision of this Order, and has waived any and all rights she 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 matter 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 Schroeder 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. Schroeder, 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;

(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. Frederick L. Miller
Vice President
Division of Supervision, Regulation, and Credit
Federal Reserve Bank of Minneapolis
90 Hennepin Avenue, P.O. Box 291
Minneapolis, MN 55480-0291

(b) Ms. Tracy A. Schroeder
119 Sunrise Ct.
Bozeman, Montana 59715

3. Any violation of this Order shall separately subject Schroeder 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 Schroeder; provided, however, that the Board of Governors shall not take any further action against Schroeder 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.

By order of the Board of Governors of the Federal Reserve System, effective this 3rd day of April, 2007.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

Signed
Tracy A. Schroeder

By: Signed
Jennifer J. Johnson
Secretary of the Board