

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

_____	)	
In the Matter of:	)	Docket No. 12-035-E-I
	)	
Jerry J. Williams	)	
a former Institution- Affiliated	)	Order of Prohibition
Party of:	)	Issued Upon Consent Pursuant to
	)	Section 8(e) of the Federal
Orion Bancorp, Inc.,	)	Deposit Insurance Act, as Amended
Naples Florida	)	
a former registered bank holding	)	
company, and	)	
	)	
Orion Bank,	)	
Naples, Florida	)	
a former state-member bank	)	
_____	)	

WHEREAS, pursuant to sections 8(e) and 8(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 (the “Order”) upon the consent of Jerry J. Williams, a former employee and institution-affiliated party, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), of Orion Bancorp, Inc., Naples, Florida (the “Company”), a former registered bank holding company and its wholly-owned subsidiary, Orion Bank, Naples, Florida (the “Bank”), a former state member bank.

WHEREAS, Williams, a former President, Chief Executive Officer and Chairman of the board of directors of the Company and the Bank, engaged in violations of law, unsafe and unsound banking practices, and breaches of fiduciary duty that have caused losses to the Bank, including, *inter alia*: 1) participating in the making of loans to uncreditworthy nominee entities in order to evade the State of Florida's legal lending limit and participating in those nominee entities' purchase of classified loans from the Bank in order to create the illusion on the Bank's call reports that non-performing loans were being reduced, and performing loans increased; 2) participating in the making of loans by the Bank to the same nominee entities and another third-party, the proceeds of which were used to purchase the Bank's parent holding company's own stock for the purpose of creating the illusion of a legitimate \$15 million capital infusion into the Bank; and 3) providing false documentation to federal and state banking regulators to conceal the true source of the capital infusion and the true financial condition of the Bank.

WHEREAS, Williams entered a guilty plea on December 21, 2011 to conspiracy to misapply funds by a bank officer, making a false entry in the books, reports and statements of a financial institution by a bank officer, committing bank fraud and obstructing the examination of a financial institution, in violation of 18 U.S.C. § 371 and making false statements in violation of 18 U.S.C. § 1001.

WHEREAS, by affixing his signature hereunder, Williams 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 CFR 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 Williams 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. Williams, 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, or any subsidiary of such holding company;

(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. 2.

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

(a) Richard M. Ashton, Esq.  
Deputy General Counsel  
Board of Governors of  
the Federal Reserve System  
20<sup>th</sup> & C Sts., N.W.  
Washington, DC 20551

(b) Mr. Jerry J. Williams  
Street address redacted for privacy  
Westworth Village, Texas 76114

With a copy to:

William Sullivan, Esq.  
Pillsbury, Winthrop, Shaw, Pittman LLP  
2300 N Street, N.W.  
Washington, D.C. 20037-1122

3. Any violation of this Order shall separately subject Williams 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 Williams; provided, however, that the Board of Governors shall not take any further action against Williams 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 12<sup>th</sup> day of June, 2012.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

/s/ Jerry J. Williams  
Jerry J. Williams

By: /s/ Jennifer J. Johnson  
Jennifer J. Johnson  
Secretary of the Board