

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

In the Matter of

ERIC SCOTT DARTY, a former institution-
affiliated party of

COMPASS BANK, Birmingham, Alabama,
a state-member bank.

Docket No. 18-009-E-I

Order of Prohibition Issued Upon Consent
Pursuant to Section 8(e) of the Federal
Deposit Insurance Act, as amended

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”), pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. § 1818(e), issues this Order of Prohibition (this “Order”) upon the consent of Respondent Eric Scott Darty (“Darty”), a former employee and 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 Compass Bank, a state member bank (the “Bank”);

WHEREAS, on November 8, 2017, the U.S. Department of Justice filed an information against Darty in the United States District Court for the Northern District of Alabama. *See United States v. Darty*, No. 2:17-cr-499, Dkt. 1 (N.D. Ala. Nov. 8, 2017) (the “Information”);

WHEREAS, the Information charged Darty with one count of bank embezzlement in violation of 18 U.S.C. § 656;

WHEREAS, on November 19, 2017, Darty pled guilty to one count of bank embezzlement in violation of 18 U.S.C. § 656;

WHEREAS, in his plea agreement, Darty stipulated that the following facts are substantially correct:

1. From 2012 until his termination in October 2016, Darty was an employee of the Bank and BBVA Compass Investment Solutions (“BCIS”).
2. During his employment at BCIS, Darty primarily assisted Bank customers with securities, including purchasing insurance products.
3. At times between November 2015 and October 2016, Darty embezzled money from Bank customers by collecting a cashier’s check from Bank customers for insurance products, renegotiating the original cashier’s check into a cashier’s check of a lesser amount, using the renegotiated check to purchase the investment product for the customer, and keeping the left over cash for himself. On some occasions, Darty also transferred money between customer accounts in an attempt to conceal his embezzlement.
2. Darty’s embezzlement resulted in a loss to the Bank of between \$150,000 and \$200,000.

WHEREAS, Darty’s conduct constituted violations of law or regulation, unsafe or unsound practices, or breaches of fiduciary duty;

WHEREAS, pursuant to the terms of his plea agreement, Darty must pay restitution to the Bank in the amount of \$206,970.63;

WHEREAS, by affixing his signature hereunder, Darty 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 other 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, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issue of fact or law implied or set forth herein, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended litigation,

IT IS HEREBY ORDERED that:

1. Darty, 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, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or 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 sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), 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. Richard M. Ashton, Esq.
Deputy General Counsel
Patrick M. Bryan, Esq.
Assistant General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, DC 20551
- b. Eric Scott Darty

with a copy to:

Clayton R. Tartt
Parkman & White LLC
1929 3rd Avenue North, Suite 700
Birmingham, AL 35203

3. Any violation of this Order shall separately subject Darty 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 Darty; provided, however, that the Board of Governors shall not take any further action against Darty on any matters concerning or arising from the matters addressed by this Order based upon facts presently known by the Board of Governors. This release and discharge shall not preclude or affect (i) any right of the Board of Governors to determine and ensure

compliance with this Order, or (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order.

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 8th day
of February, 2018.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/ Eric Scott Darty
Eric Scott Darty

By: /s/ Ann E. Misback
Ann E. Misback
Secretary of the Board