

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

In the Matter of

NATHANIEL FRAZIER and JEFFREY  
GARRISON,

former Institution-Affiliated Parties of

REGIONS BANK, Birmingham, Alabama, a  
state member-bank

Docket No. 18-17-E-I  
18-017-B-I

Order of Prohibition Issued Upon  
Consent Pursuant to Sections 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 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 1818(i)(3), issues this Order of Prohibition (this “Order”) upon the consent of Respondent Nathaniel Frazier (“Frazier”), a former employee and institution-affiliated party, as defined in sections 3(u) and 8(i)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(i)(3), of Regions Bank (“Regions” or the “Bank”), a state-member bank;

WHEREAS, between February 27, 2013 and March 31, 2017 (the “Relevant Period”), while employed as a Financial Services Specialist, Branch Team Leader and Branch Manager of the Bank, Frazier improperly inflated at least nine credit applicants’ reported income for stated income products, such as credit cards and personal loans, to qualify applicants for products which they would otherwise not qualify, and encouraged his subordinates at Regions to engage in such practices;

WHEREAS, Frazier received incentive compensation from Regions tied to his origination of customer credit extensions, including those with improperly inflated applicant income;

WHEREAS, originating extensions of credit with improperly inflated applicant income and discussing with his subordinates improperly inflating applicant income constituted unsafe or unsound banking practices, and resulted in false entries in the Bank's records; and

WHEREAS, by affixing his signature hereunder, Frazier 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 hearings or testimony:

IT IS HEREBY ORDERED, pursuant to section 8 of the FDI Act, 12 U.S.C. § 1818, that:

1. Frazier, 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. Pursuant to section 8(b) of the FDI Act, 12 U.S.C. § 1818(b), Frazier shall fully cooperate with and provide substantial assistance to the Board of Governors, including but not limited to the provision of information, testimony, documents, records, and other tangible evidence, in connection with the investigations of whether enforcement action should be taken against other individuals who are or were institution-affiliated parties of the Bank or otherwise.

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

- (a) Richard 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) Nathaniel Frazier

4. Any violation of this Order shall separately subject Frazier 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).

5. 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 Frazier; provided, however, that the Board of Governors shall not take any further action against Frazier 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.

6. 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 21<sup>st</sup> day  
of May, 2018.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

\_\_\_\_\_/ s /\_\_\_\_\_  
Nathaniel Frazier

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