

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

In the Matter of

KATHERINE TIBBOLES, a former  
institution-affiliated party of

THE CROGHAN COLONIAL BANK,  
Fremont, Ohio, a state member bank

Docket Nos. 19-019-E-I  
19-019-B-I

Order of Prohibition and Cease-and-Desist  
Order Issued Upon Consent Pursuant to  
Sections 8(b) and 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(b) and 8(e) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. §§ 1818(b) and (e), issues this Order of Prohibition and Cease-and-Desist Order Requiring Restitution or Reimbursement (this “Order”) upon the consent of Respondent Katherine Tibboles (“Tibboles”), 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 The Croghan Colonial Bank, Fremont, Ohio, a state member bank (the “Bank”);

WHEREAS, between approximately 2009 and June 2018 (the “Relevant Period”), while employed at the Bank in various positions, including as branch manager, Tibboles embezzled approximately \$266,039 in cash from Bank tellers’ drawers;

WHEREAS, Tibboles’s above-noted conduct during the Relevant Period constituted a violation of law, an unsafe or unsound practice, and/or a breach of her fiduciary duties to the Bank;

WHEREAS, by affixing her signature hereunder, Tibboles 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 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 or a cease-and-desist order 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. Tibboles, 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. Tibboles shall comply fully with the terms of the Payment Agreement entered into by the Bank, Tibboles, and Marc Tibboles on October 4, 2018, requiring reimbursement of the misappropriated funds to the Bank pursuant to a monthly repayment schedule.

3. 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, D.C. 20551
- b. Katherine Tibboles

with a copy to:

Lurlia Oglesby, Esq.  
618 Washington Street  
Sandusky, OH 44870

4. Any violation of this Order shall separately subject Tibboles 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 Tibboles; provided, however, that the Board of Governors shall not take any further action against Tibboles 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 20<sup>th</sup> day of May, 2019.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

/s/  
Katherine Tibboles

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