

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

In the Matter of

MICHAEL JOSEPH ERICKSON, a former
institution-affiliated party of

SOUTHERN BANCORP BANK,
Arkadelphia, Arkansas,
a state-member bank.

Docket No. 19-005-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 Michael Joseph Erickson (“Erickson”), 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 Southern Bancorp Bank, a state member bank (the “Bank”);

WHEREAS, on September 20, 2018, the U.S. Department of Justice filed an information against Erickson in the United States District Court for the Northern District of Mississippi. *See United States v. Erickson*, 4:18-cr-00120-GHD-JMV, Dkt. 3 (N.D. Miss. Sept. 20, 2018) (the “Information”);

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

WHEREAS, on September 20, 2018, Erickson pled guilty to one count of bank embezzlement in violation of 18 U.S.C. § 656;

WHEREAS, in his plea agreement, Erickson stipulated that he knowingly and intentionally embezzled funds of Southern Bancorp Bank, in violation of Title 18, Section 656 of the United States Code, which carries maximum possible penalties of thirty (30) years imprisonment, a \$1,000,000 fine, five (5) years supervised release, and a special assessment of \$100;

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

WHEREAS, by affixing his signature hereunder, Erickson 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. Erickson, 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. Michael Joseph Erickson

with a copy to:

J. Scott Newton, Esq.
Baker Donelson
One Eastover Center
100 Vision Drive
Suite 400
Jackson, MS 39211

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

