

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

In the Matter of

NICHOLAS SHEELEY,

A Former Institution-Affiliated Party of

COMMERCE BANK,
Kansas City, Missouri

A State Member Bank.

Docket No. 25-006-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 (the “Order”) upon the consent of Respondent Nicholas Sheeley (“Sheeley”), 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 Commerce Bank (the “Bank”), a state member bank;

WHEREAS, Sheeley was an employee of the Bank beginning on January 30, 2012, and was the Deposit Services Manager from June 15, 2019, until his termination on August 11, 2023;

WHEREAS, Sheeley engaged in a scheme to overcharge Bank customers for check adjustments cases involving discrepancy claims received from other financial institutions and concealed the losses generated by these activities by manipulating general ledger entries and moving funds between adjustment cases;

WHEREAS, Sheeley misappropriated customer funds for his personal benefit through the creation of counterfeit checks and caused the Bank to suffer a financial loss in the amount of \$28,500;

WHEREAS, Sheeley’s conduct constituted violations of law or regulation, breaches of

fiduciary duty, and unsafe or unsound banking practices, and involved Sheeley's personal dishonesty and demonstrated his willful or continuing disregard for the Bank's safety and soundness; and

WHEREAS, by affixing his signature hereunder, Sheeley 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 the taking of any testimony or adjudication of or finding on any issue of fact or law herein, and without Sheeley admitting or denying any allegation made or implied by the Board of Governors herein, and solely for the purpose of settlement of this matter without filing a formal proceeding and without the necessity for protracted litigation or extended hearings,

IT IS HEREBY ORDERED that:

1. Sheeley, 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;
- 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
David Williams, Esq.
Senior Associate General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, DC 20551
- b. Nicholas Sheeley

3. Any violation of this Order shall separately subject Sheeley 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 Sheeley; provided, however, that the Board of Governors shall not take any further action against Sheeley 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 6th day of November, 2025.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/ Nicholas Sheeley
Nicholas Sheeley

By: /s/ Michele Taylor Fennell
Michele Taylor Fennell
Associate Secretary of the Board