

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

In the Matter of

THOMAS W. ENGELBRECHT

A former institution-affiliated party of

S N B BANCSHARES, INC.
Eufaula, Oklahoma, a registered bank holding
company

and

BANK OF EUFAULA
Eufaula, Oklahoma, a state member bank

Docket No. 26-021-E-I
26-021-CMP-I

Order of Prohibition and Assessment
of Civil Money Penalty Issued Upon
Consent Pursuant to Sections 8(e) and
8(i) of the Federal Deposit Insurance
Act, as Amended

WHEREAS, pursuant to sections 8(e) and 8(i) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. §§ 1818(e) and 1818(i), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this Order of Prohibition and Assessment of Civil Money Penalty (the “Order”) upon the consent of Thomas W. Engelbrecht (“Engelbrecht”), a former 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 S N B Bancshares, Inc., Eufaula, Oklahoma, a registered bank holding company (“SNB”), and Bank of Eufaula, Eufaula, Oklahoma, a state member bank (the “Bank”);

WHEREAS, Engelbrecht served as a director on the Bank’s and SNB’s boards of directors and as the Bank’s Chief Executive Officer during all periods relevant to this order and until his termination in July 2024;

WHEREAS, from 2020 to 2023, Engelbrecht repeatedly caused the Bank to make loans totaling over \$5 million to a company owned by his close relative (the “Company”), a portion of

which was used to pay down interest on the Company's existing Bank loans or to cover overdrafts in the Company's accounts at the Bank, despite the Company's evident financial difficulties, in violation of the Bank's policies and procedures;

WHEREAS, during the same period, Engelbrecht repeatedly caused the Bank to waive overdraft fees and to approve overdrafts in the Company's accounts at the Bank when the account was already persistently overdrawn, at times by over \$1 million, in violation of the Bank's policies and procedures;

WHEREAS, between, 2022 and 2023, Engelbrecht personally loaned the Company nearly \$200,000, compounding his conflict of interest in approving further Bank extensions of credit to the Company;

WHEREAS, from April 2020 to April 2021, Engelbrecht ceased holding in-person meetings of the Bank's board of directors but fabricated or directed the fabrication of board meeting minutes to falsely reflect that the Board had approved various actions, including a Main Street Lending Program loan to the Company in the amount of approximately \$1.9 (the "MSLP Loan"), of which a 95% participation interest was then sold to a Federal Reserve special purpose vehicle (the "Federal Reserve SPV");

WHEREAS, because Engelbrecht repeatedly caused the Bank to provide preferential treatment to the Company despite its evident and consistent financial difficulties, and because the Company was unable to pay off its loans and settle its overdrafts, the Bank suffered over \$3.5 million in losses in connection with the Company's Bank loans (including the MSLP Loan) and overdrafts, and the Federal Reserve SPV suffered approximately \$1.88 million in losses in connection with the MSLP Loan;

WHEREAS, Engelbrecht's conduct constituted violations of law or regulation, breaches of fiduciary duty, or unsafe or unsound banking practices, and involved his personal dishonesty or demonstrated his willful or continuing disregard for the Bank's safety and soundness; and

WHEREAS, by affixing his signature hereunder, Engelbrecht 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 adjudication of or finding on any issue of fact or law implied or set forth herein, and without Engelbrecht's admitting or denying any allegation made or implied by the Board of Governors in connection herewith, 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. Pursuant to section 8(e) of the FDI Act, 12 U.S.C. § 1818(e), Engelbrecht, 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. The Board of Governors hereby imposes a civil money penalty on Engelbrecht in the amount of \$125,000 that shall be remitted within sixty (60) days of the execution of this Order by Fedwire transfer of immediately available funds to the Federal Reserve Bank of Richmond, ABA No. 051053310, beneficiary Board of Governors of the Federal Reserve System. The Federal Reserve Bank of Richmond, on behalf of the Board of Governors, shall distribute this sum to the U.S. Department of Treasury, pursuant to section 8(i) of the FDI Act, 12 U.S.C. § 1818(i). This penalty is a penalty paid to a government agency in relation to the

violation of any law or the investigation or inquiry by such agency into the potential violation of any law for purposes of 26 U.S.C. § 162(f) and 26 C.F.R. § 1.162-21.

3. 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. Thomas W. Engelbrecht

4. Any violation of this Order shall separately subject Engelbrecht 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 Engelbrecht; provided, however, that the Board of Governors shall not take any further action against Engelbrecht 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 12th day of June, 2026.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/ Thomas W. Engelbrecht
Thomas W. Engelbrecht

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