

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

In the Matter of

JASON BURNS

An 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. 26-022-B-I

Order to Cease and Desist Issued
Upon Consent Pursuant to Section
8(b) 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(b) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. § 1818(b), issues this Order to Cease and Desist (this “Order”) upon the consent of Jason Burns (“Burns”), 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), 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, Burns has served as a director on the Bank’s and SNB’s boards of directors and as the Bank’s President during all periods relevant to this order;

WHEREAS, from 2020 to 2023, Burns managed the Bank’s lending relationship with a company he knew was owned by a close relative of the Bank’s Chief Executive Officer (the “Company”);

WHEREAS, during the same period, Burns presented to the Bank’s board—and the board (including Burns) voted to approve—multiple loans totaling over \$5 million to the Company, with the proceeds used in part 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 ongoing and evident financial difficulties, while failing to assess adequacy of the collateral supporting these loans, all in violation of the Bank’s policies and procedures;

WHEREAS, during the same period, Burns repeatedly waived overdraft fees and approved overdrafts that at times totaled over \$1 million in the Company’s accounts at the Bank, in violation of the Bank’s policies and procedures;

WHEREAS, Burns was responsible for compiling and producing certain Bank records to the Federal Reserve Bank of Kansas City;

WHEREAS, included among those documents were minutes of meetings of the Bank’s board of directors for the April 2020 to April 2021 period, even though the board did not meet during that period;

WHEREAS, these board minutes falsely reflect that the board approved various actions, including a Main Street Lending Program loan to the Company in the amount of approximately \$1.9 million (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 Burns 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, Burns's conduct constituted violations of law or regulation or unsafe or unsound banking practices; and

WHEREAS, by affixing his signature hereunder, Burns 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 contest the issuance of a cease-and-desist order on any matter implied or set forth in this Order; (b) to request 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 Burns'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(b) of the FDI Act, 12 U.S.C. § 1818(b), prior to accepting any position that would cause Burns to become an institution-affiliated party, or upon execution of this Order if Burns is currently an institution-affiliated party, as defined in sections 3(u), 8(b)(3), and 8(b)(4) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3) and (4), of any institution or agency described 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, Burns shall:

- a. provide the Chief Executive Officer or equivalent level in the reporting line of the institution with notice and copy of this Order;
- b. fully familiarize himself with the policies and procedures of the institution that pertain to his duties and responsibilities, including, but not limited to, the policies relating to the institution's lending and underwriting functions, conflicts of interest, and standards of conduct; and
- c. within ten (10) days after his acceptance of any position, or execution of this Order, as described in this paragraph, provide written notice to the Board of Governors, along with a written certification of his compliance with each provision of this paragraph.

2. In connection with Burns's status 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), Burns shall:

- a. fully comply with all applicable laws, rules, regulations, policies, and procedures;
- b. not engage in any unsafe or unsound practice; and
- c. fully observe his fiduciary duties.

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. Jason Burns

with a copy to:

Andrew J. Hofland, Esq.
Hofland Lollman PLLC
401 S. Boston Ave., Suite 500
Tulsa, OK 74103

4. Any violation of this Order shall separately subject Burns to appropriate civil penalties under sections 8(i) of the FDI Act, 12 U.S.C. § 1818(i).

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 Burns; provided, however, that the Board of Governors shall not take any further action against Burns 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 17th day of June, 2026.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/ Jason Burns
Jason Burns

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