

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

| | | |
|--------------------------------------|---|------------------------|
| In the Matter of |) | |
| JOSHUA AARON BARNES, an institution- |) | |
| affiliated party of |) | |
| FNB BANK, n.k.a. Cadence Bank, |) | PERSONAL CONSENT ORDER |
| Tupelo, Mississippi |) | and ORDER TO PAY |
| (Insured State Nonmember Bank) |) | |
| Respondent's NMLS UI# 699708 |) | FDIC-23-0033b |
| |) | FDIC-22-0179k |

Joshua Aaron Barnes (Respondent) and Respondent's counsel were advised of the Respondent's right to receive a Notice of Intention to Seek a Cease and Desist Order (Notice) and a Notice of Assessment (collectively, Notices) detailing Respondent's unsafe or unsound banking practices and breaches of fiduciary duties for which an Order to Cease and Desist (Personal Consent Order) and Order to Pay a civil money penalty (Order to Pay) (collectively, Orders) may be issued under 12 U.S.C. § 1818(b) and (i).

Respondent was further advised of the right to a hearing on the Notices under 12 U.S.C. § 1818(b) and (i), and 12 C.F.R. Part 308, subparts A & B. Respondent waived certain rights under those provisions on June 9, 2023, and consented to the issuance of the Orders by entering into a Stipulation and Consent to the Issuance of a Personal Consent Order and Order to Pay (Consent Agreement) with a representative of the FDIC's Legal Division.

The FDIC determined and Respondent neither admits nor denies the following:

1. During the period May 2018 through January 2019, Respondent, in his capacity as Senior Vice President and Loan Officer of FNB Bank, now known as Cadence Bank, Tupelo, Mississippi (the Bank), generated a series of improper extensions of credit for the benefit of a

large deposit/borrowing customer. In connection with said misconduct, Respondent failed to disclose the true nature and purpose of the subject transactions.

2. As described in paragraph 1, Respondent engaged in unsafe or unsound practices in connection with the Bank and breached fiduciary duties owed to the Bank.

3. Respondent's practices and breaches were part of a pattern of misconduct which caused the Bank to suffer more than a minimal financial loss.

After considering the civil money penalty (CMP) mitigating factors under 12 U.S.C. § 1818(i)(2)(G), the FDIC accepts the Consent Agreement and issues the following:

PERSONAL CONSENT ORDER

Respondent must cease and desist from, and take affirmative action, as follows:

4. Review Part 364 of the FDIC's Rules and Regulations, with particular attention to Appendix A, Section II (Operational Standards).

5. Within 180 calendar days of the date of these Orders, Respondent must attend fifty (50) hours of training acceptable to the Regional Director of the FDIC Atlanta Regional Office, which training shall include blocks of instruction on banking ethics and prudent credit underwriting practices.

6. When Respondent is employed by an insured depository institution (IDI) or otherwise becomes an institution-affiliated party (IAP) within the meaning of 12 U.S.C. § 1813(u), Respondent must:

- a. not commit or participate in any unsafe or unsound practices, as that term is used in Title 12 of the United States Code;
- b. fulfill the fiduciary duties of loyalty and care owed to any insured depository institution with which he is or may become affiliated and shall,

at all times, avoid placing his own interests above those of the institution;
and

- c. follow the written policies and procedures of that IDI. If Respondent is affiliated with an IDI whose written policies and procedures are more stringent than the provisions of this Personal Consent Order, Respondent must adhere to the IDI's written policies and procedures.

7. Within 10 calendar days of the date of these Orders, Respondent must provide a copy of these Orders to the Chairman of the Board of Directors of any IDI of which Respondent is an IAP.

8. Before accepting any position causing Respondent to become an IAP, Respondent must provide a copy of these Orders to: (i) the Chairman of the Board of Directors of the IDI, or (ii) a senior executive manager of the IDI, provided that the official was approved in writing by the Regional Director of the FDIC Atlanta Regional Office for this purpose.

9. Within 10 calendar days of satisfying the requirements of paragraphs 5, 7 and 8, Respondent must provide a written certification of Respondent's compliance to the Regional Director, Atlanta Regional Office.

10. If Respondent believes that the Personal Consent Order provisions are fulfilled, Respondent may request termination of the Personal Consent Order by submitting a letter with supporting materials to the Regional Director, FDIC Atlanta Regional Office. The FDIC may request additional information to review the termination request. The decision to deny the request and retain this Personal Consent Order as is, modify it, or terminate it, is at the FDIC's discretion.

11. This Personal Consent Order is effective immediately.

12. The provisions of this Personal Consent Order are enforceable under 12 U.S.C. §

1818(i) for 7 (seven) years from the date of this Personal Consent Order, except to the extent that any provision is modified, terminated, suspended, or set aside by the FDIC.

13. This Personal Consent Order does not waive any right, power, or authority of the United States; federal, state, or local agencies; or the FDIC as Receiver.

ORDER TO PAY

14. By reason of Respondent's actions listed in paragraphs 1, 2 and 3, an \$85,000 CMP is assessed against Joshua Aaron Barnes under 12 U.S.C. § 1818(i)(2) and is effective upon issuance. Respondent must immediately pay the CMP to the Treasury of the United States.

15. Respondent may not seek or accept indemnification from any IDI for the CMP assessed in this matter.

16. The Order to Pay is enforceable under 12 U.S.C. § 1818(i), and the FDIC will take action to collect the amount due if the Respondent fails to make payment.

17. The Order to Pay does not waive any right, power, or authority of the United States; federal, state, or local agencies; or the FDIC as Receiver.

Issued under delegated authority.

Dated: July 28, 2023.

/s/
Patricia A. Colohan
Associate Director
Division of Risk Management Supervision