

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)	
)	
Justin L. Holt, an institution-affiliated party of)	
)	
UBank, Huntington, TX formerly known as)	PERSONAL CONSENT ORDER
Bank of Tyler, Tyler, TX)	and ORDER TO PAY
)	
(Insured State Nonmember Bank))	FDIC-23-0113b
)	FDIC-22-0056k
Respondent's NMLS UI# 695775)	
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Justin L. Holt (Respondent) was 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 reckless 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 April 19, 2024, 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. Between June 2018 and January 2019, as a senior vice president and loan officer at the Bank of Tyler, Tyler, Texas, now known as UBank, Huntington, Texas (Bank), Respondent engaged in unsafe and unsound practices and breached his fiduciary duty by: (a)

repeatedly causing the disbursement of loan funds on a construction loan without properly documenting the disbursements and without requiring or verifying progress or completion of construction per bank policy, thus resulting in a dissipation of loan proceeds by the borrower; and (b) by misrepresenting the status of such construction in an effort to obscure those actions.

2. As described in paragraph 1, Respondent recklessly 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.

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. Whenever Respondent is employed by an insured depository institution (IDI) or otherwise serves as an institution-affiliated party (IAP) within the meaning of 12 U.S.C. § 1813(u), Respondent shall:

a. Maintain accurate loan files and other bank records and adequately document transactions for which Respondent is responsible, including obtaining and documenting all necessary customer approvals or authorizations;

b. Completely and accurately describe the intended purpose of any loans issued by Respondent or at Respondent's direction, including an accurate description of the intended use of loan proceeds;

c. Make best efforts to assure compliance with all loan documentation requirements, including but not limited to: (1) assuring that all loan conditions are satisfied before permitting the advancement of loan proceeds, and (2) verifying the proper use of such proceeds consistent with any stated loan purposes or other loan agreement provisions.

d. Within one year of issuance of this CONSENT ORDER, complete at least 24 hours of training through an outside third-party provider that is deemed acceptable by the Regional Director of the FDIC's Dallas Regional Office. The training must cover the topics of ethics, internal routines and controls, and proper lending procedures;

e. Not commit or participate in any unsafe or unsound practices, as that term is used in Title 12 of the United States Code; and

f. Fulfill the fiduciary duties of loyalty and care owed to any IDI with which Respondent is or may become affiliated.

5. When Respondent is employed by an IDI or otherwise becomes an IAP within the meaning of 12 U.S.C. § 1813(u), Respondent must 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.

6. 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.

7. 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 Dallas Regional Office for this purpose.

8. Within 10 calendar days of satisfying the requirements of paragraphs 6 and 7, Respondent must provide a written certification of Respondent's compliance to the Regional Director, FDIC Dallas Regional Office.

9. 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 Dallas 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.

10. This Personal Consent Order is enforceable and effective under 12 U.S.C. § 1818(i) for 5 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.

11. 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

12. By reason of Respondent's actions listed in paragraphs 1 and 2, a \$25,000 CMP is assessed against Justin L. Holt 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.

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

14. 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.

15. 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.

/s/ _____ Date: May 23, 2024

Patricia A. Colohan

Associate Director

Division of Risk Management Supervision