FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of Martin Fernandez, Jr., an institution-affiliated party of International Bank of Commerce Laredo, Texas (Insured State Nonmember Bank) Respondent's NMLS UI# N/A	NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, FINDINGS OF FACT AND CONCLUSIONS OF LAW, NOTICE OF HEARING, and PRAYER FOR RELIEF FDIC-23-0118e

The Federal Deposit Insurance Corporation (FDIC) determined that Martin Fernandez, Jr. (Fernandez or Respondent), was an International Sales Representative at International Bank of Commerce, Laredo, Texas (Bank), and an institution-affiliated party (IAP) of the Bank. Respondent, directly or indirectly, violated laws, engaged in unsafe or unsound practices in connection with the Bank between July 2019 and August 2021 ("Relevant Times"). Respondent's violations, practices and breaches caused the Bank to suffer financial loss. Respondent's violations, practices and breaches involved personal dishonesty and demonstrated willful and continuing disregard for the safety or soundness of the Bank.

NOTICE OF INTENTION TO PROHIBIT
FROM FURTHER PARTICIPATION

The FDIC issues this Notice of Intention To Prohibit From Further Participation and Findings of Fact and Conclusions of Law (collectively, "Notice of Charges") under 12 U.S.C. § 1818(e) and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308, Subparts A and B.

This proceeding will determine whether an Order should be issued against Respondent under 12 U.S.C. § 1818(e), to prohibit Respondent from further participation in the conduct of the affairs of the Bank, and any other insured depository institution or organization listed in 12 U.S.C. § 1818(e)(7)(A) without the prior written approval of the FDIC and other appropriate Federal financial institutions regulatory agency.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The FDIC makes the following allegations against Respondent:

I. Jurisdiction

1. At all Relevant Times, the Bank was a corporation existing and doing business under the laws of the State of Texas, with its principal place of business in Laredo, Texas.

2. At all Relevant Times, the Bank was an insured State nonmember bank, subject to 12 U.S.C. §§ 1811-1831aa, 12 C.F.R. Chapter III, and the laws of the State of Texas.

3. At all Relevant Times, Respondent served as an International Sales Representative for the Bank until he resigned on August 13, 2021.

4. At all Relevant Times, Respondent was an "institution-affiliated party" of the Bank under 12 U.S.C. § 1813(u), and for purposes of 12 U.S.C. §§ 1818(e)(7) and 1818(j).

5. The FDIC has jurisdiction over the Bank, Respondent, and the subject matter of this proceeding.

II. Respondent's Misconduct

6. On or about July 18, 2019, Respondent assisted a customer of the Bank ("Customer 1") in opening a new account at the Bank ("Customer Account").

7. On or about July 18, 2019, Respondent assisted Customer 1 in transferring funds

from a previously existing account of Customer 1 into the Customer Account.

8. On or about July 19, 2019, Respondent initiated a transfer of $3,000 from the Customer Account, without the authorization of Customer 1, to an account at the Bank belonging to an associate of Respondent ("Associate 1").

9. Between approximately July 19, 2019 and approximately November 29, 2019, Respondent initiated multiple additional transfers from the Customer Account, without the authorization of Customer 1, to Associate 1's account.

10. Between approximately January 10, 2020 and approximately March 31, 2020, Respondent initiated multiple additional transfers from the Customer Account, without the authorization of Customer 1, to an account at the Bank belonging to a second associate of Respondent ("Associate 2").

11. On or about July 2020, a second customer ("Customer 2") was added to the Customer Account.

12. Between approximately July 20, 2020 and approximately August 13, 2021, Respondent initiated multiple additional transfers from the Customer Account, without the authorization of Customer 1 or Customer 2, to an account at the Bank belonging to a third associate of Respondent ("Associate 3").

13. During the relevant times, the sum Respondent fraudulently transferred from the Customer's Account to the accounts of Associate 2 and Associate 3 totaled $123,563.

14. As a result of Respondent's misconduct, the Bank reimbursed the loss caused by Respondent's actions.

15. The Bank charged off the total amount that Respondent misappropriated from Customer 1 and Customer 2.

16. On October 19, 2023, Respondent entered a guilty plea in the District Court of Webb County, Texas, to one count of Texas Penal Code 31.03(e)(5), Theft of Property $30,000 or more but less than $150,000, based on the misconduct described above.

III. Conclusions of Law

17. Based on the misconduct described above, Respondent violated the law under 12 U.S.C. § 1818(e).

18. Based on the misconduct described above, Respondent engaged in unsafe or unsound practices in connection with the Bank under 12 U.S.C. § 1818(e).

19. Respondent's violations, practices and breaches described above resulted in financial loss to the Bank under 12 U.S.C. § 1818(e).

20. Respondent's violations, practices and breaches described above demonstrate Respondent's personal dishonesty under 12 U.S.C. § 1818(e).

21. Respondent's violations, practices and breaches described above demonstrate willful or continuing disregard for the safety or soundness of the Bank under 12 U.S.C. § 1818(e).

NOTICE OF HEARING

Respondent must file an Answer to object to the Notice of Charges within 20 days from the date of service under 12 C.F.R. § 308.19. A formal hearing on the Notice of Charges will be held. The hearing will be held before an Administrative Law Judge (ALJ) assigned by the Office of Financial Institution Adjudication (OFIA) under 5 U.S.C. § 3105. The hearing on the Notice of Charges will begin on a date set by the ALJ in Laredo, Texas, or in another location set by the ALJ. The hearing will be public and conducted in accordance with 12 U.S.C. §§ 1811-1831aa, the Administrative Procedure Act, 5 U.S.C. §§ 551-559, and 12 C.F.R. Part 308, subparts A and B.

An original and one copy of all papers filed in this proceeding must be served upon OFIA, 3501 N. Fairfax Drive, Suite VS-D8116, Arlington, VA 22226-3500, in the manner specified at 12 C.F.R. § 308.10. Also, copies of all papers filed in this proceeding must be served upon the following: FDIC Administrative Officer, 550 17th Street, N.W., Washington, D.C. 20429; Seth P. Rosebrock, Assistant General Counsel, and Frank C. Salamone, Senior Counsel, Enforcement Section, Legal Division, FDIC, 1776 F Street, N.W., Washington, D.C. 20006; and Regional Counsel Stephen C. Zachary, Dallas Regional Office, 600 North Pearl Street, Suite 700, Dallas, TX, 75201. Respondent is encouraged to file any subsequent documents electronically with OFIA at ofia@fdic.gov.

PRAYER FOR RELIEF

The FDIC prays that an Order of Prohibition under 12 U.S.C. § 1818(e) be issued against Martin Fernandez, Jr.

Issued under delegated authority.

Dated: June 24, 2024.

_/s/________________________
Doreen R. Eberley
Director
Division of Risk Management Supervision