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[11,423] **In the Matter of C.S. Taylor Burke, Burke & Herbert Bank & Trust Company, Alexandria, Virginia, Brentwood, Missouri, Docket No. FDIC 97-048b (7-1-97)**

A cease-and desist order was issued, based on findings by the FDIC that it had reason to believe that respondent had engaged in unsafe and unsound banking practices. *(This order was terminated by order of the FDIC dated 8-6-99; see ¶16,237.)*

- [\[.1\] Loans—Imprudent Loans—Cease-and-Desist Order](#)
- [\[.2\] Directors—Loans—Prior Approval](#)
- [\[.3\] Disclosures—Directors—Personal Financial Dealings](#)
- [\[.4\] Disclosures—Directors—Personal Ownership Interest or Service](#)
- [\[.5\] Unsafe or Unsound Practices—Ethics Training](#)

**In the Matter of
C.S. TAYLOR BURKE, III
individually, and as an
institution-affiliated party of
BURKE & HERBERT BANK AND
TRUST COMPANY
ALEXANDRIA, VIRGINIA
(Insured State Nonmember Bank)
ORDER TO CEASE AND DESIST
FDIC-97-048b**

C.S. TAYLOR BURKE, III, ("Respondent"), individually, and as an institution-affiliated party of Burke & Herbert Bank and Trust Company, Alexandria, Virginia ("Bank"), having been advised of his right to receive a written Notice of Charges and of Hearing ("NOTICE") detailing the unsafe or unsound banking practices alleged to have been committed by the Respondent and of his right to a hearing regarding such alleged charges under section 8(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b)(1), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with a representative of the Legal Division of the Federal Deposit Insurance Corporation ("FDIC"), dated July 1, 1997, whereby solely for the purpose of this proceeding and without admitting or denying any of the alleged charges of unsafe or unsound banking practices the Respondent consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC.

The FDIC considered the matter and determined that it had reason to believe that the Respondent had engaged in unsafe or unsound banking practices.

The FDIC, therefore, accepted the CONSENT AGREEMENT and issued the following:

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ORDER TO CEASE AND DESIST

[.1] IT IS HEREBY ORDERED, that the Respondent cease and desist from the following unsafe or unsound banking practices:

- A. Making personal loans to Bank customers;
- B. Purchasing loans from the Bank.

IT IS FURTHER ORDERED that the Respondent take affirmative action as follows:

[.2] 1. Effective the date of this ORDER, the Respondent shall not cause the Bank to extend loans in excess of \$200,000 without the prior approval of the Bank's Loan Committee and subsequent ratification by the Bank's board of directors;

[.3] 2. Effective the date of this ORDER and on an ongoing basis thereafter, the Respondent shall make full disclosure to the Bank's board of directors of any of Respondent's personal financial dealings with Bank customers.

[.4] 3. Effective the date of this ORDER and on an ongoing basis thereafter, the Respondent shall make full disclosure to the Bank's board of directors of any of Respondent's personal ownership interest in and/or service in any official capacity for or on behalf of any entity which is a Bank customer, including, but not limited to, service as an employee, officer, director or independent contractor of such customer.

[.5] 4. Within sixty (60) days of the effective date of this Order, the Respondent shall attend ethics training designed to highlight the impropriety and/or unsafe or unsound practice relative to conflicts of interest, selfdealing or appropriation of corporate opportunity.

5. The provisions of this ORDER shall become effective ten (10) days from the date of its issuance and shall be binding upon the Respondent. The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

Pursuant to delegated authority.

Dated at Atlanta, Georgia, this 1st day of July, 1997.