

{{4-30-03 p.C-5703}}

[¶12,023] **In the Matter of James Douglas Kimbrough, individually and as an Institution-affiliated party of Arkansas Valley State Bank, Broken Arrow, Oklahoma, Docket Nos. 02-052e, 02-141k (2-19-03).**

Respondents prohibited from participating in the conduct of affairs of, or exercising voting rights in, any insured institution without the prior written approval of the FDIC. Respondents also agree to pay civil money penalty assessed by the FDIC in the amount of \$25,000.

**[.1] Prohibition, Removal, or Suspension—Prohibition From—Participation in Conduct of Affairs**

**In the Matter of  
JAMES DOUGLAS KIMBROUGH  
individually, and as an institution-affiliated party of  
ARKANSAS VALLEY STATE BANK,  
BROKEN ARROW, OKLAHOMA  
(Insured State Nonmember Bank)  
ORDER OF PROHIBITION FROM FURTHER PARTICIPATION AND ORDER TO PAY CIVIL MONEY  
PENALTY**

FDIC-02-052e

FDIC-02-141k

James Douglas Kimbrough ("Respondent") has been advised of the right to receive a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, ASSESSMENT OF CIVIL MONEY PENALTIES, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY AND NOTICE OF HEARING issued by the Federal Deposit Insurance Corporation ("FDIC") detailing the unsafe or unsound banking practices for which an ORDER OF PROHIBITION FROM FURTHER PARTICIPATION AND ORDER TO PAY CIVIL MONEY PENALTY ("ORDER") may issue, and has been further advised of the right

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to a hearing on the alleged charges under sections 8(e) and 8(i) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. §§ 1818(e) and (i), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. Having waived those rights, the Respondent entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF PROHIBITION FROM FURTHER PARTICIPATION AND ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY ("CONSENT AGREEMENT") with a representative of the Legal Division of the FDIC, whereby solely for the purpose of this proceeding and without admitting or denying any unsafe or unsound banking practices, Respondent consented to the issuance of the ORDER by the FDIC and has agreed to a prohibition from participation in the affairs of any insured depository institution and to pay a civil money penalty in the amount specified below to the Treasurer of the United States and did so.

The FDIC considered the matter and determined it had reason to believe that:

(a) The Respondent has engaged or participated in unsafe or unsound banking practices as an institution-affiliated party of Arkansas Valley State Bank, Broken Arrow, Oklahoma ("Bank");

(b) By reason of such practices, the Bank has suffered financial loss or other damage; and

(c) Such practices demonstrate the Respondent's willful and/or continuing disregard for the safety or soundness of the Bank.

The FDIC further determined that such practices demonstrate the Respondent's unfitness to serve as a director, officer, person participating in the conduct of the affairs or as an institution-affiliated party of the Bank, any other insured depository institution, or any other agency or organization enumerated in section

8(e)(7)(A) of the Act, 12 U.S.C. §1818(e)(7)(A).

Furthermore, the FDIC determined that it had reason to believe that:

(a) The Respondent recklessly engaged in unsafe or unsound banking practices; and

(b) Such practices were part of a pattern of misconduct that caused more than a minimal loss to the Bank.

Therefore, after taking into account the CONSENT AGREEMENT, the appropriateness of the penalty with respect to the financial resources of the Respondent, any good faith of the Respondent, the gravity of the violation by the Respondent, the history of previous violations by the Respondent, and such other matters as justice may require, the FDIC accepts the CONSENT AGREEMENT and issues the following:

*ORDER OF PROHIBITION FROM FURTHER PARTICIPATION AND ORDER TO PAY CIVIL MONEY PENALTY*

[.1]1. IT IS ORDERED that James Douglas Kimbrough is hereby, without the prior written approval of the FDIC and the appropriate Federal financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the Act, 12 U.S.C. §1818(e)(7)(D), prohibited from:

(a) participating in any manner in the conduct of the affairs of any financial institution or organization enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. §1818(e)(7)(A);

(b) soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent or authorization with respect to any voting rights in any financial institution enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. §1818(e)(7)(A);

(c) violating any voting agreement previously approved by the appropriate Federal banking agency; or

(d) voting for a director, or serving or acting as an institution-affiliated party.

2. IT IS HEREBY FURTHER ORDERED that a civil money penalty of \$25,000.00 be, and hereby is, assessed against James Douglas Kimbrough. The Respondent shall pay the civil money penalty to the Treasurer of the United States, and the Respondent is prohibited from seeking or accepting indemnification from any insured depository institution for the civil money penalty assessed and paid in this matter.

3. This ORDER will become effective upon its issuance by the FDIC. The provisions of this ORDER will remain effective and enforceable except to the extent that, and until such time as, any provision of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

Pursuant to delegated authority.

Dated this 19th day of February, 2003.