

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)

ROBIN HUSSEY GARNER individually)
and as an institution-affiliated)
party of)

FIRST BANK)
TROY, NORTH CAROLINA)

(INSURED STATE NONMEMBER BANK))

NOTICE OF INTENTION
TO PROHIBIT FROM
FURTHER PARTICIPATION
AND NOTICE OF HEARING

FDIC-11-429e

The Federal Deposit Insurance Corporation ("FDIC"), has determined that ROBIN HUSSEY GARNER ("Respondent"), individually and as an institution-affiliated party of FIRST BANK, TROY, NORTH CAROLINA ("Bank"), has directly or indirectly participated or engaged in unsafe or unsound banking practices and practices which constitute personal dishonesty and breach of her fiduciary duty to the Bank; that as a result of such conduct, the Bank has suffered financial loss or other damage and the Respondent has received financial gain or other benefit by reason of those practices and breaches of fiduciary duty; and that such practices and breaches of fiduciary duty demonstrate Respondent's personal dishonesty and willful and continuing disregard for the safety or soundness of the Bank.

The FDIC, therefore, institutes this proceeding for the purpose of determining whether an appropriate order should be issued against Respondent under the provisions of section 8(e) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(e), prohibiting Respondent from further participation in the conduct of the affairs of any insured depository institution or organization listed in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of the FDIC and such other 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).

The FDIC hereby issues this NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION and NOTICE OF HEARING ("NOTICE"), pursuant to section 8(e) of the Act, 12 U.S.C. § 1818(e), and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308, and alleges as follows:

JURISDICTION AND BACKGROUND

1. At all times pertinent to this proceeding, the Bank was a corporation existing and doing business under the laws of the State of North Carolina, having its principal place of business at Troy, North Carolina.

2. The Bank was, at all times pertinent to this proceeding, an insured state nonmember bank, subject to the Act, 12 U.S.C. §§ 1811-1831aa, the Rules and Regulations of the FDIC, 12 C.F.R. Chapter III, and the laws of the State of North Carolina.

3. From on or about June 25, 1996, and at all times pertinent to the charges herein, Respondent was a Vice President and Branch Manager at the branch of the Bank located in Seagrove, North Carolina.

4. At all times pertinent to the charges herein, Respondent was an "institution-affiliated party" as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and for purposes of sections 8(e)(7) and 8(j) of the Act, 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.

FINDINGS OF FACT

6. On or about July 29, 2009, Respondent created a false loan transaction slip in the amount of \$7,000.00, by using the name and line of credit account number of a Bank customer.

7. Respondent then used the funds to obtain an official bank check in the amount of \$7,000.00.

8. Respondent used the official bank check to purchase a car from the same Bank customer whose name and line of credit account number had been used to create the false loan transaction slip.

9. On or about December 7, 2009, Respondent took an unauthorized advance from a line of credit that belonged to a Bank customer, without the knowledge or permission of the Bank customer.

10. Respondent used some of the proceeds from the unauthorized advance to fund unauthorized loans and deposited additional proceeds into her own bank account and the bank account of a relative.

11. Respondent deposited \$7,500.00 of the proceeds from the unauthorized advance into the bank account of a relative of Respondent.

12. Respondent also deposited \$5,000.00 in proceeds from the unauthorized advance into her own bank account.

13. On September 26, 2011, Respondent was indicted in the United States District Court, Middle District of North Carolina, for multiple counts of Bank Fraud, in violation of 18 U.S.C. § 1344, and Making False Bank Entries, in violation of 18 U.S.C. § 1005, as set forth in USA v. Robin Hussey Garner, 1:11-CR-308-1.

14. On November 10, 2011, the Court accepted a guilty plea from Respondent as to three (3) separate counts of Bank Fraud, in violation of 18 U.S.C. § 1344(2), and one (1) count of Making False Bank Entries, in violation of 18 U.S.C. § 1005.

15. Respondent, through her guilty plea, admitted the conduct described in paragraphs 7 - 13 of this NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION.

16. On May 15, 2012, a judgment was entered against Respondent and she was sentenced to forty-three (43) months imprisonment to be followed by five (5) years of supervised release.

17. As part of the sentencing order, Respondent is required to pay restitution of \$266,944.00 to the Bank.

CONCLUSIONS OF LAW

18. As a result of Respondent's foregoing acts, omissions and practices, she engaged and participated in unsafe or unsound banking practices in connection with the Bank.

19. As a result of Respondent's foregoing acts, omissions and practices, she breached her fiduciary duty as an employee of the Bank, and engaged in acts of personal dishonesty.

20. As a result of Respondent's foregoing acts, omissions and practices, the Bank sustained financial loss.

21. As a result of Respondent's foregoing acts, omissions and practices, Respondent received financial gain.

NOTICE OF HEARING

22. Notice is hereby given that a hearing will be held in Greensboro, North Carolina, and will commence sixty (60) days from the date of service of the NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, or on such date and at such place as may be set by the Administrative Law Judge appointed to hear the matter.

23. The purpose of the hearing will be for the taking of evidence on the charges, findings, and conclusions specified in the NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION and to determine whether a permanent order should be issued to prohibit Respondent from further participation in the conduct of the affairs of any insured depository institution or organization

listed in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of the FDIC and such other appropriate federal financial institutions regulatory agency, as that term is defined in 12 U.S.C. § 1818(e)(7)(D).

24. The hearing will be held before an Administrative Law Judge to be appointed by the Office of Financial Institution Adjudication pursuant to 5 U.S.C. § 3105. The hearing will be public, and in all respects will be conducted in compliance with the Act, 12 U.S.C. §§ 1811-1831aa, the Administrative Procedures Act, 5 U.S.C. §§ 551-559, and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308.

25. The Respondent is directed to file an answer to this NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION within twenty (20) days from the date of service, as provided by section 308.19 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.19.

26. An original and one copy of the answer and all other documents to be filed or served in this proceeding must be filed in writing with the Office of Financial Institution Adjudication, 3501 N. Fairfax Drive, Suite VS-D8116, Arlington, Virginia 22226-3500, pursuant to section 308.10 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.10. Respondent is encouraged to also file any answer electronically with the Office of Financial Institution Adjudication at ofia@fdic.gov.

27. Copies of all papers filed or served in this proceeding shall be served upon the Executive Secretary Section, Federal

Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429-9990; A.T. Dill, Assistant General Counsel, Enforcement Section, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429-9990; and Andrea Fulton Toliver, Regional Counsel, Atlanta Regional Office, Federal Deposit Insurance Corporation, 10 Tenth Street, N.E., Suite 800, Atlanta, Georgia 30309-3906.

PRAYER FOR RELIEF

28. The FDIC prays for relief in the form of issuance of an ORDER OF PROHIBITION pursuant to 12 U.S.C. § 1818(e) against Respondent.

Pursuant to delegated authority.

Dated at Washington, D.C., this 5th day of October, 2012.

/s/

Serena L. Owens
Associate Director
Division of Risk Management Supervision