

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of

AARON D. JOHNSON,
as an institution-affiliated party of

THE FARMERS BANK,
CARNEGIE, OKLAHOMA

(INSURED STATE NONMEMBER BANK)

RESPONDENT'S NMLS UI# N/A

ORDER OF PROHIBITION FROM FURTHER PARTICIPATION

FDIC-19-0115e

AARON D. JOHNSON (Respondent) has been advised of the right to receive a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION (NOTICE) issued by the Federal Deposit Insurance Corporation (FDIC) detailing the violations, unsafe or unsound banking practices, and breaches of fiduciary duty for which an ORDER OF PROHIBITION FROM FURTHER PARTICIPATION (ORDER) may issue and has been further advised of the right to a hearing on the allegations under 12 U.S.C. § 1818(e) and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. Having waived those rights, Respondent entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF PROHIBITION FROM FURTHER PARTICIPATION (CONSENT AGREEMENT) with a representative of the Legal Division of the FDIC, dated September 27, 2019, whereby solely for the purpose of this proceeding and without admitting or denying any violations, unsafe or unsound banking practices, or breaches of fiduciary duty, Respondent consented to the issuance of an ORDER by the FDIC.

The FDIC has determined, and Respondent neither admits nor denies, that:

(a) Respondent has engaged or participated in violations, unsafe or unsound banking practices, and breaches of fiduciary duty as an institution-affiliated party of THE FARMERS BANK, CARNEGIE, OKLAHOMA within the meaning of 12 U.S.C. § 1813(u).

(b) Further, the FDIC has determined that while serving as President, Chief Executive Officer, and Vice Chairman of the Board of Directors of THE FARMERS BANK, CARNEGIE, OKLAHOMA (Bank), Respondent breached his fiduciary duty by intentionally causing the Bank to pay for numerous expenses that were charged to his personal credit card and which were for the personal benefit of himself or his family.

(c) By reason of such violations, practices, and breaches of fiduciary duty, the Bank has suffered financial loss or other damage and Respondent received financial gain or other benefit; and

(d) Such acts involved Respondent's personal dishonesty and demonstrated Respondent's willful and continuing disregard for the safety or soundness of the Bank.

The FDIC further determined that such violations, practices, and breaches of fiduciary duty demonstrated 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 12 U.S.C. § 1818(e)(7)(A).

The FDIC, therefore, accepts the CONSENT AGREEMENT and issues the following:

ORDER OF PROHIBITION
FROM FURTHER PARTICIPATION

1. AARON D. JOHNSON is hereby prohibited from:

(a) participating in any manner in the conduct of the affairs of any financial

institution or agency enumerated in 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 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. The prohibitions in paragraph 1, above, shall cease to apply to Respondent if Respondent obtains the prior written permission of both the FDIC and the “appropriate Federal financial institutions regulatory agency” as defined in 12 U.S.C. §1818(e)(7)(D).

3. Notwithstanding the prohibitions set out in the paragraph 1, above, Respondent may, for the purposes of facilitating divestiture of stock:

(a) vote for a merger, sale, or liquidation involving the Bank after obtaining the prior written consent of approval of the FDIC, and

(b) engage in transactions necessary to consummate the sale, merger, or liquidation of the Bank after obtaining the prior written consent of the FDIC.

4. Nothing herein shall preclude any proceedings brought by the FDIC to enforce the terms of this ORDER, and nothing herein constitutes a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, or the FDIC as Receiver, or any State agency or department to bring other actions deemed appropriate against Respondent.

5. 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 21st day of November, 2019.

/s/
Patricia A. Colohan
Associate Director
Division of Risk Management Supervision