

UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
COMPTROLLER OF THE CURRENCY

<b>In the Matter of:</b>	)	
Harold Connell	)	
Former President, CEO, and Chairman of the Board	)	AA-EC-12-94
	)	
Security Bank, N.A.	)	
North Lauderdale, Florida	)	

**CONSENT ORDER**

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist and civil money penalty proceedings against Harold Connell (“Respondent”) pursuant to 12 U.S.C. § 1818(b) and (i) on the basis of Respondent’s activities while serving at Security Bank, N.A., North Lauderdale, Florida (“Bank”), as chairman of the board (“COB”) and chief executive officer (“CEO”) during the period 2007 to May 5, 2010, and as president during late 2009 to May 5, 2010;

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, Respondent, without admitting or denying any wrongdoing, desires to enter into this Consent Order (“Order”) issued pursuant to 12 U.S.C. § 1818(b) and (i);

NOW, THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through his duly authorized representative, and Respondent that:

**Article I**

**JURISDICTION**

(1) The Bank was formerly a national banking association, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 et

seq. during the period relevant to this action. Accordingly, the Bank was an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2). The Bank was closed and the Federal Deposit Insurance Corporation (“FDIC”) was appointed Receiver on May 4, 2012.

(2) Respondent was the president, CEO and COB of the Bank and is an “institution-affiliated party” of the Bank as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years from the date hereof (see 12 U.S.C. § 1818(i)(3)).

(3) Pursuant to 12 U.S.C. § 1813(q)(1), the Comptroller is the “appropriate Federal banking agency” to maintain enforcement proceedings against institution-affiliated parties. Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain these cease and desist and civil money penalty proceedings against him pursuant to 12 U.S.C. § 1818(b) and (i).

## **Article II**

### **COMPTROLLER’S FINDINGS**

The Comptroller finds, and Respondent neither admits nor denies, the following:

(1) Respondent served as a director of the Bank during the period 2004 to 2007, as the Bank’s COB and CEO during 2007 to May 5, 2010, and as Bank president during late 2009 to May 5, 2010.

(2) In March 2007, Respondent retained Mitchell Aronson (“Aronson”) at the Bank to perform various administrative duties relating to the Bank’s non-performing loans and other real estate owned (“OREO”) properties. Aronson pled guilty to and was convicted of the criminal offenses of conspiracy to conceal taxable income and evasion of income tax on April 13, 1988. Title 12 U.S.C. § 1829 prohibits “any person who has been convicted of any criminal offense involving dishonesty” from becoming or serving as an institution-affiliated-party (“IAP”)

of any insured depository institution. Respondent, who was aware of Aronson's criminal convictions at the time he retained him on behalf of the Bank, caused the Bank to violate 12 U.S.C. § 1829.

(3) Commencing in 2007, Respondent played a significant role in bringing high risk business to the Bank, which he knew or should have known the Bank was ill-equipped to monitor and control. In addition, Respondent failed until 2010 to take steps to ensure that the Bank had in place an effective Bank Secrecy Act ("BSA") compliance and suspicious activity monitoring and reporting system necessary to monitor and control the high risk accounts, in violation of 12 C.F.R. §§ 21.11 and 21.21.

(4) By reason of the foregoing conduct, Respondent violated and/or caused the Bank to violate the law, engaged in unsafe or unsound banking practices and breached his fiduciary duty to the Bank.

### **Article III**

#### **ORDER FOR CIVIL MONEY PENALTY**

Respondent consents to, and it is ORDERED that:

(1) Respondent shall pay a civil money penalty in the amount of twenty thousand dollars (\$20,000), which shall be paid in full upon execution of this Order.

(2) Respondent shall make payment by certified check payable to the Treasurer of the United States, and shall deliver the payment to: Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000. The docket number of this case (AA-EC-12-94) shall be entered on the check.

(3) Respondent shall deliver a copy of the check to Director, Enforcement and Compliance Division, Office of the Comptroller of the Currency, 250 E Street SW, Washington, DC 20219 together with this Order.

(4) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. § 1818(i).

#### **Article IV**

#### **PERSONAL CEASE AND DESIST ORDER**

Respondent consents to, and it is ORDERED that:

(1) Prior to accepting any position that would cause Respondent to become an institution-affiliated party at any insured depository institution, or within ten (10) days of consenting to this Order if he is currently an IAP of any insured depository institution, as defined in 12 U.S.C. §1813(u), Respondent shall provide a copy of this Order to the president or chief executive officer of such institution or agency and its board of directors.

(2) Within ten (10) days of satisfying the requirements of paragraph (1), Respondent shall provide a written certification of his compliance to the Director, Enforcement and Compliance Division, 250 E Street, SW, Washington, DC 20219.

(3) In connection with any existing or future employment subject to this Article, Respondent shall:

- (a) fully comply with all laws, regulations, and policies applicable to any insured depository institution which employs him, including, but not limited to, 12 U.S.C § 1829 and 12 C.F.R. §§ 21.11 and 21.21;
- (b) fully comply with and exercise safe and sound banking practices;

- (c) fully observe his fiduciary duties of loyalty and care owed to any insured depository institution with which he is or may become affiliated;
- (d) adhere to the written policies and procedures of any insured depository institution or agency to which he may become affiliated, or seek and receive written permission from appropriate authorized individuals to do otherwise;
- (e) obtain appropriate Bank Secrecy Act (“BSA”) and Anti-Money Laundering (“AML) training; and
- (f) provide appropriate BSA and AML training for bank officers and directors within his supervision and control.

(4) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. § 1818(b).

## **Article V**

### **OTHER PROVISIONS**

- (1) By executing this Order, Respondent waives:
  - (a) the right to the issuance of a Notice under 12 U.S.C. § 1818(b) and (i);
  - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(b) and (i) and 12 C.F.R. Part 19;
  - (c) all rights to seek judicial review of this Order;
  - (d) all rights in any way to contest the validity of this Order; and
  - (e) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement

matter or this Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

(2) Respondent shall not cause, participate in or authorize the Bank (or any subsidiary or affiliate thereof) to incur, directly or indirectly, any legal (or other professional) expense relative to the negotiation and issuance of this Order except as permitted by 12 C.F.R. § 7.2014 and Part 359; and Respondent shall not, directly or indirectly, obtain or accept any indemnification (or other reimbursement) from the Bank (or any subsidiary or affiliate thereof) with respect to such amounts except as permitted by 12 C.F.R. § 7.2014 and Part 359.

(3) Respondent acknowledges that he has read and understands the premises and obligations of this Order and declares that no separate promise or inducement of any kind has been made by the Comptroller, his agents or employees to cause or induce Respondent to agree to consent to the issuance of this Order and/or to execute this Order.

(4) The provisions of this Order constitute a settlement of these cease and desist and civil money penalty proceedings arising out of the specific acts, omissions, or violations described in the Comptroller's Findings (Article II of this Order). However, the specific acts, omissions, or violations described in the Comptroller's Findings may be used by the OCC in future enforcement actions to establish a pattern of practice of misconduct or the continuation of a pattern or practice or misconduct.

(5) The provisions of this Order shall not be construed as an adjudication on the merits and, except as set forth above in paragraph four (4) of this Article, shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting Respondent if, at any

time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(6) Nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and nothing herein constitutes, nor shall Respondent contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

(7) Respondent shall notify the OCC of the address of his current place of residence by completing the form attached hereto as Appendix A and returning it together with this Order.

IN TESTIMONY WHEREOF, the undersigned has hereunto set his hand.

/s/ Harold Connell  
Harold Connell

12/17/12  
Date

**IT IS SO ORDERED.**

/s/ Kristina B. Whittaker  
Kristina B. Whittaker  
Deputy Comptroller  
Special Supervision Division

1/2/13  
Date