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U.S. Appeals Court Upholds OCC Ruling
Assessing \$250,000 Penalty

WASHINGTON, D.C. -- An order by the Office of the Comptroller of the Currency (OCC) assessing a \$250,000 civil money penalty against a former banker was upheld by the U.S. Court of Appeals for the District of Columbia, the OCC announced today.

The penalty was assessed against Charles R. Vickery, Jr. for his actions in 1991 as senior chairman of the First National Bank of Bellaire in Bellaire, Texas. The OCC found that he had engaged in a conflict of interest and breached his fiduciary duty to the bank by making a series of 23 commercial loans while at the same time secretly accepting more than \$50,000 of the title insurance premiums paid by the borrower on the loans.

The OCC also found that Mr. Vickery breached his fiduciary duty to the bank when he failed in his obligation to formally disclose his receipt of money in connection with the loans to the bank's board of directors and to remove himself from the loan decision making process.

"We are very pleased with the court's decision," said deputy chief counsel Robert B. Serino. "The OCC is determined to take action against officers and directors who breach their responsibilities -- even when their actions do not result in a loss to the bank -- and this decision shows that courts will back us up."

The court also affirmed an order by the Federal Reserve Board which prohibits Mr. Vickery from any future participation in the affairs of any federally insured financial institution.

Mr. Vickery is a major shareholder at the First National Bank of Bellaire, as well as several other Houston area banks, including Mayde Creek Bank in Katy, and First Bank of Dear Park.

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The OCC charters, regulates and examines approximately 2,800 national banks and 66 federal branches of foreign banks in the U.S., accounting for more than half the nation's banking assets.

Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.