

NR 96-23
February 27, 1996

OCC Completes Enforcement Action Against Garners
With Their Consent to Pay \$204,000 and Be Removed from Banking

WASHINGTON, D.C. -- The Office of the Comptroller of the Currency (OCC) today announced that it has concluded an administrative enforcement action against Gerald Garner, Joan Garner and Daniel Garner, former officers and directors of American Commerce National Bank in Anaheim, California. The Garners consented to pay a total of \$204,000 in civil money penalties and to a ban against their further participation in the banking business. The Garners did not admit or deny the charges brought against them.

American Commerce National Bank was closed in 1993 after the OCC determined that the bank was in an unsafe and unsound condition to transact business. An OCC public hearing on its proposed actions against the Garners began last summer and concluded in early February.

Gerald Garner is the former director and chairman of the board of the bank; his wife Joan is a former director; and his brother Daniel is a former senior executive officer. Previously, the OCC had reached settlements with five former directors -- Eugene Alterman, Norman Charney, Michael Hales, Stanley Kaller and Judy Mandel -- and with Robert Young, former senior credit administrator. These individuals consented to pay a total of \$35,000 in civil money penalties and consented to a ban against further participation in the conduct of the affairs of an insured depository institution.

The charges brought against the Garners included: (1) making false statements to national bank examiners; (2) concealing ownership interests in entities that received extensions of credit from the bank and extending credit to related entities without adequate financial information and controls; (3) causing the bank to pay Gerald Garner's personal legal expenses; (4) concealment of Daniel Garner's status at the bank, extensions of credit from the bank, financial condition, and bankruptcy; (5) causing the bank to file a lawsuit without evidence to support its charges; (6) violating the bank's formal agreement with the OCC; (7) extending credit to Joan Garner without adequate financial documentation; and (8) causing the bank to pay excessive compensation to Gerald Garner and other directors.

#

The OCC charters, regulates and examines approximately 3,000 national banks and 70 federal branches and agencies of foreign banks in the U.S., accounting for more than half the nation's banking assets. Its mission is to ensure the safety and soundness of the national banking system.