

Order No. 2019-017

IN THE MATTER OF: § **BEFORE THE BANKING**
§
KELLEY RANAE JONES § **COMMISSIONER OF TEXAS**
§
LLANO, TEXAS § **AUSTIN, TRAVIS COUNTY, TEXAS**

ORDER PROHIBITING FURTHER PARTICIPATION

On this day, the matter of KELLEY RANAE JONES, Llano, Texas, (Respondent) was submitted to me, Charles G. Cooper, Banking Commissioner of the State of Texas (Commissioner), for consideration and action.

I. Findings of Fact

A. Jurisdiction

1. Respondent is a former employee of Arrowhead Bank, Llano, Texas (Bank), a bank that is chartered by the State of Texas.
2. The Texas Department of Banking (Department) is authorized to bring this enforcement action pursuant to *Texas Finance Code* §35.0035.
3. The Commissioner has jurisdiction over Respondent and the subject matter of this proceeding.

B. General Background

4. Respondent was hired at the Bank in 1998 as a bookkeeper. Two years later, Respondent was transferred to the loan department, where she was responsible for creating and maintaining records of the bank's loans, receiving and recording payments on those loans, and maintaining other general ledger accounts, including a correspondent bank account with another bank.

5. In her position with the loan department, Respondent had access to, and the ability to manipulate the correspondent bank account and a general ledger account that aggregated all individual loan accounts. Respondent took advantage of her access to these records of the bank to take money for herself and to hide her theft from her employer. Respondent admitted in a plea agreement, filed with the United States District Court for the Western District of Texas, to embezzling a total sum of \$905,472.49 from the Bank.

6. Respondent was terminated from her position on June 18, 2018.

C. Conviction and Sentencing

7. On December 11, 2018, Respondent pled guilty in the United States District Court for the Western District of Texas to a felony violation of Title 18, United States Code, Section 656, that is, Theft, Embezzlement, or Misapplication by Bank Officer or Bank Employee.

8. On April 24, 2019, Respondent was sentenced to imprisonment for a term of 36 months, supervised release for five years and ordered to pay restitution in the amount of \$905,372.49.

II. Conclusions of law

1. The Bank and Respondent are, and at all times pertinent to the allegations in this proceeding were, subject to the provisions of the Texas Banking Act, Texas Finance Code Title 3, Subtitle A.

2. The Commissioner has jurisdiction over Respondent and the subject matter of this proceeding pursuant to *Texas Finance Code* §35.0035.

3. The Commissioner has considered the matter and determines that the statutory requirements for the issuance of a Prohibition Order as set forth in *Texas Finance Code* §35.0035 have been met.

In particular, the Commissioner determines that:

- (1) Respondent has been finally convicted of a felony offense involving a bank, dishonesty, or a breach of trust;
- (2) Respondent's conviction is not subject to Appellate Review; and
- (3) Respondent has been sentenced to imprisonment for a term of 36 months, supervised release for five years and ordered to pay restitution in the amount of \$905,372.49.

III. Order of Prohibition

It is, therefore, ORDERED, ADJUDGED and DECREED that, pursuant to *Texas Finance Code* §§35.0035 and 35.007, KELLEY RANAE JONES may not:

1. serve as a director, officer, or employee of a state bank, holding company of a state bank, or state trust company, or as a director, officer, or employee with financial responsibility of any other entity chartered, registered, permitted, or licensed by the Banking Commissioner under the laws of this state;
2. directly or indirectly participate in any manner in the management of such entity or in the conduct of their affairs;
3. directly or indirectly vote for a director of such an entity; or
4. solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to voting rights in such an entity.

IV. Effective Date

This Prohibition Order against Respondent KELLEY RANAE JONES is effective immediately upon service and will remain effective and in force except in the event that, and until

such time as, this Order shall have been stayed, terminated, modified, or set aside in accordance with *Texas Finance Code* §§35.0035 and 35.0071.

Not later than the thirtieth day after service of this Order, Respondent may request in writing a hearing before the banking commissioner to show that Respondent's continued service to a state bank or participation in the affairs of a state bank does not, or is unlikely to, threaten the interests of the depositors, creditors, or shareholders of the state bank or the public confidence in the state bank. After such hearing, the banking commissioner may affirm, modify, or set aside, in whole or in part, the order. An order affirming or modifying the order is immediately final for purposes of enforcement and appeal.

It is so ORDERED.

Signed this 6th day of May, 2019.

/s/ Charles G. Cooper
Charles G. Cooper
Banking Commissioner of the State of Texas

CERTIFICATE OF SERVICE

This Order is served on KELLEY RANAE JONES as follows: By electronic mail, first-class mail and by certified mail, return receipt requested, sent on May 24, 2019, to:

J. Gary Trichter
Trichter and LeGrand, P.C.
420 Heights Blvd
Houston, Texas 77007
gary@texasdwilaw.com
Attorney for Kelley Ranae Jones

/s/ Marcus Adams _____
Marcus Adams
Assistant General Counsel
Texas Department of Banking