

**Order No. 2020-029**

**IN THE MATTER OF:**

**§ BEFORE THE BANKING**

**§**

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**§**

**JEANNIE SWAIM,**

**§ COMMISSIONER OF TEXAS**

**§**

**§**

**§**

**PARIS, TEXAS**

**§ AUSTIN, TRAVIS COUNTY, TEXAS**

**CONSENT ORDER PROHIBITING FURTHER PARTICIPATION**

On this day, the matter of JEANNIE SWAIM (Swaim or Respondent) of Paris, Texas, was submitted to me, Charles G. Cooper, Banking Commissioner of the State of Texas (Commissioner), for consideration and action.

1. Respondent is the former vice-president/cashier, and director of The Enloe State Bank, Cooper, Texas (Bank), and a former director of the Bank's holding company, Entex Bancshares, Inc.
2. Respondent created fraudulent loans on the Bank's books and caused the Bank losses of at least \$411,000 and \$3,000 in interest. Respondent and/or her family members personally benefited from these fraudulent loans. Respondent's insider abuse and fraud contributed to the Bank's insolvency, which led to the Commissioner's decision to close the Bank on May 31, 2019.
3. The Texas Department of Banking (Department) is the appropriate state banking agency to bring this enforcement action pursuant to Texas Finance Code (Finance Code) §§ 35.003 and 35.009, and the Commissioner has jurisdiction over Respondent and the subject matter of this proceeding.

4. Respondent has been informed of her right to receive a proposed order setting out in detail the grounds for prohibition. Respondent was also informed that she has the right to a hearing on the charges under Finance Code §§ 35.003(c), 35.004, and Texas Government Code § 2001.051. Respondent waives both of those rights and agrees to the disposition of this matter pursuant to the provisions of Texas Government Code § 2001.056.
5. Respondent agrees to this Consent Order Prohibiting Further Participation (Order) without admitting or denying any violations of law or regulations, unsafe or unsound banking practices, breaches of fiduciary duty, or any other allegations against her.
6. For purposes of this proceeding, Respondent waives:
  - a. service upon Respondent of this Order;
  - b. receipt of a proposed order detailing specific charges;
  - c. the right to present defenses to the allegations;
  - d. notice and a hearing to take evidence on the allegations;
  - e. the filing of a Proposal for Decision by an Administrative Law Judge;
  - f. the filing of exceptions and briefs with respect to such Proposal for Decision;and,
  - g. judicial review of the Order as provided by Texas Government Code § 2001.171 et seq., and any other challenge to the validity of the Order.
7. Any violation of this Order could subject Respondent to additional regulatory or enforcement actions authorized by the Finance Code. Nothing in this Order diminishes the regulatory or enforcement powers of the Department, the Commissioner, or the Texas Finance Commission.

8. The Commissioner has considered the matter and believes that, based upon credible evidence, with respect to a state bank, Respondent's actions satisfy the statutory requirements for the issuance of a prohibition order as set forth in Finance Code § 35.003.

In particular, the Commissioner has determined the following:

- a. Swaim has intentionally committed or participated in violations of law or regulations, unsafe or unsound practices, and/or breaches of fiduciary duty with regard to the affairs of the Bank;
- b. because of Swaim's actions, the Bank has suffered or will probably suffer financial loss or other damage; the interests of the Bank's depositors have been or could be prejudiced; and/or Swaim received financial gain or other benefit by reason of these actions; and
- c. such actions involve personal dishonesty on the part of Swaim or demonstrate Swaim's willful and/or continuing disregard for the safety and soundness of the Bank.

9. The Commissioner has determined that such alleged violations of laws or regulations, unsafe or unsound practices, and/or breaches of fiduciary duty demonstrate that Swaim is unfit to serve as a director, officer, or employee of a state bank, holding company of a state bank, or state trust company, among other positions to which this Order applies, or to directly or indirectly participate in any manner in the management of such entity. Accordingly, the entry of this prohibition Order appears to be necessary and in the best interest of the public.

## **I. Order**

10. It is therefore ORDERED, ADJUDGED, and DECREED that, pursuant to Finance Code §§ 35.003 and 35.007, without prior written approval of the Commissioner, with respect to a state bank, holding company of a state bank, state trust company, or another entity chartered, registered, or licensed by the Commissioner under the laws of this state, including, but not limited to, a foreign bank or money services business, Jeannie Swaim is hereby perpetually prohibited from:
- a. serving 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 Commissioner under the laws of this state;
  - b. directly or indirectly participating in any manner in the management of such entity;
  - c. directly or indirectly voting for a director of such an entity; or
  - d. soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent, or authorization with respect to voting rights in such an entity.

## **II. No Waiver of Additional Remedies**

11. The Department expressly maintains, and does not waive, any of its rights to pursue additional remedies against the Respondent, including but not limited to, seeking restitution and/or administrative penalties.

### III. Effective Date

12. This Order against Respondent JEANNIE SWAIM is effective on the date signed by the Commissioner below and is final and nonappealable as of that date. The Commissioner may enforce this Order pursuant to Finance Code §§ 35.009 and 35.011(c). If the Commissioner has reason to believe that Respondent has violated, or is about to violate, a provision of this Order in regard to prohibition, the Commissioner may take appropriate action authorized under Finance Code § 35.009. The provisions of this Order in regard to prohibition will remain effective and in force except in the event that, and until such time as, this Order's prohibition provision shall have been modified, terminated, suspended, or set aside in accordance with Finance Code § 35.0071.

It is so ORDERED.

Signed on this 31<sup>st</sup> day of July, 2020.

/s/ Charles G. Cooper  
Charles G. Cooper  
Texas Banking Commissioner

