

Order No. 2020-042

IN THE MATTER OF:

**MILIMO S. REED AKA
MILLIE REED**

ROSENBERG, TEXAS

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BEFORE THE BANKING

COMMISSIONER OF TEXAS

AUSTIN, TRAVIS COUNTY, TEXAS

ORDER PROHIBITING FURTHER PARTICIPATION

On this day, the matter of Milimo S. Reed a/k/a Millie Reed of Rosenberg, 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 Comerica Bank (Bank). Prior to her termination from the Bank on April 16, 2020, Respondent held the position of Assistant Manager in the Bank's branch located at 1 Sugar Creek Center Boulevard, Sugar Land, Texas 77478.
2. The Bank is chartered in Texas under charter number 3187-26 and is insured by the Federal Deposit Insurance Corporation (FDIC).
3. 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 (Finance Code) Title 3, Subtitle A.
4. Pursuant to Finance Code Chapter 35, the Commissioner has jurisdiction over Respondent and the subject matter of this proceeding, and is authorized to issue this Order Prohibiting Further Participation (Order) under Finance Code § 35.003.

B. Background

5. Respondent requested and approved five separate withdrawal slips totaling \$27,000 for two elderly Bank customers without the knowledge or authorization of either customer.
6. Respondent took affirmative steps to cover up the unauthorized withdrawals by changing the customers' mailing addresses so they would not receive statements from the Bank and depositing funds improperly withdrawn from one customer's account into the other customer's account to cover prior unauthorized withdrawals.
7. As a result of Respondent's actions, the Bank suffered a financial loss of \$21,000 and Respondent received a financial gain.

II. Conclusions of Law

8. Pursuant to Finance Code § 35.003, the Commissioner has grounds to remove or prohibit a present or former officer, director or employee of a state bank from office or employment in, or prohibit a controlling shareholder or other person participating in the affairs of a state bank from further participation in the affairs of, a state bank or any other entity chartered, registered, permitted or licensed by the Commissioner if the Commissioner determines from examination or other credible evidence that:
 - a. the person intentionally violated an applicable state or federal law, conducted business in an unsafe or unsound manner, or made false entries in the records of a financial institution; and
 - b. because of the action by the person, the financial institution suffered financial loss, the interests of the depositors, creditors, or shareholders of the financial institution were prejudiced, or the person received financial gain by reason of the action; and

- c. the action involved personal dishonesty on the part of the person or demonstrated willful or continuing disregard for the safety or soundness of the financial institution.
9. Respondent violated state and federal law by making false entries in the records of the Bank. Specifically, Respondent requested and approved unauthorized withdrawal slips and altered the addresses on customer accounts. Finance Code § 33.108(b)(1) makes it a criminal offense to make a false entry in a book, record, report or statement of a bank, and 18 U.S.C. § 1005 prohibits an employee of an insured bank from making false entries in any book, report or statement of a bank with an intent to deceive any officer or regulator of the bank or to defraud such bank. Respondent requested and approved five unauthorized withdrawal slips and altered the addresses on two customer accounts with the intent to deceive and defraud the Bank. In addition, Respondent violated 18 U.S.C. § 656, which prohibits an employee of an insured bank from embezzling, abstracting, purloining or willfully misapplying any of the moneys, funds or credits of such bank or branch, or any moneys, funds, assets or securities entrusted to the custody or care of such bank or branch. Respondent used her position at the Bank to misapply \$6,000 and misappropriate \$21,000 from customer accounts.
10. Unsafe and unsound activity is any action or lack of action that is contrary to generally accepted standards of prudent operation, the possible consequences of which if continued would be abnormal risk of loss or damage to the Bank, its shareholders, or the FDIC. Respondent engaged in unsafe and unsound activity when she misapplied and misappropriated funds, and made false entries in the records of the Bank to hide her actions. Because of Respondent's actions, the Bank suffered a financial loss of \$21,000 and Respondent received a financial gain.
11. Respondent demonstrated personal dishonesty by misapplying and misappropriating funds, and making false entries in the records of the Bank.

12. The Commissioner has considered the matter and determined that the statutory requirements for the issuance of a prohibition order as set forth in Finance Code § 35.003 have been met. In particular, the Commissioner determines from credible evidence that:

- a. Respondent abused her position as a Bank employee to misapply and misappropriate funds from customer accounts and, in doing so, violated state and federal law, conducted business in an unsafe and unsound manner, and made false entries in the records of the Bank; and
- b. because of Respondent's actions, the Bank suffered financial loss and Respondent received financial gain by reason of her actions; and
- c. Respondent's actions involved personal dishonesty and demonstrated a willful disregard for the safety and soundness of the Bank.

III. Order

It is, therefore, ORDERED, ADJUDGED and DECREED that:

13. Pursuant to Finance Code §§ 35.003 and 35.007, Respondent may not:

- a. serve as a director, officer or employee of a state bank, state trust company or holding company of a state bank, 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 participate in any manner in the management of such an entity;
- c. directly or indirectly vote for a director of such an entity; or
- d. solicit, procure, transfer, attempt to transfer, vote, or attempt to vote a proxy, consent or authorization with respect to voting rights in such an entity.

IV. Effective Date

14. This Order against Respondent is effective 21 days after mailing unless Respondent requests a hearing in writing before that date. After taking effect, this Order will be final, non-appealable and of perpetual duration. The provisions of this Order will remain effective and in force except in the event that, and until such time as, this Order shall have been modified, terminated, suspended, or set aside in accordance with Finance Code § 35.0071.

It is so ORDERED.

Signed this 4th day of December 2020.

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

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Texas Department of Banking's Order Prohibiting Further Participation was served by first-class and certified mail, return receipt requested on December 7, 2020 to:

Milimo S. Reed
503 Summer Arbor Circle
Rosenberg, Texas 77469

/s/ Alice E. Geyer
Alice E. Geyer
Assistant General Counsel
Texas Department of Banking