

**FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.**

In the Matter of

VERNON BERYLE MURDOCH, JR.,
individually, and as an institution-affiliated
party of

KENT COUNTY STATE BANK
JAYTON, TEXAS

(Insured State Nonmember Bank)

**ORDER OF PROHIBITION
FROM FURTHER
PARTICIPATION AND
CIVIL MONEY PENALTY**

FDIC-02-003e
FDIC-02-004k

Vernon Beryle Murdoch, Jr. ("Respondent") has been advised of the right to receive a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION ("NOTICE") issued by the Federal Deposit Insurance Corporation ("FDIC") detailing the violations, unsafe or unsound banking practices, and/or breaches of fiduciary duty for which an ORDER OF PROHIBITION FROM FURTHER PARTICIPATION AND CIVIL MONEY PENALTY ("ORDER") may issue, and has been further advised of the right to a hearing on the alleged charges under 12 U.S.C. § 1818(e) and 12 U.S.C. § 1818(i) of the Federal Deposit Insurance Act ("Act"), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. Having waived those rights, the Respondent entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF PROHIBITION FROM FURTHER PARTICIPATION AND CIVIL MONEY PENALTY ("CONSENT AGREEMENT") with a representative of the Legal Division of the FDIC, whereby solely for the purpose of this proceeding and without admitting or denying any violations, unsafe or unsound banking practices, and/or any breaches of fiduciary duty, Respondent consented to the issuance of an ORDER by the FDIC.

The FDIC considered the matter and determined it had reason to believe that:

- (a) The Respondent has engaged or participated in alleged violations, unsafe or unsound banking practices, and/or breaches of fiduciary duty as an institution-affiliated party of the Kent County State Bank, Jayton, Texas ("Bank");
- (b) By reason of such alleged violations, practices and/or breaches of fiduciary duty, the Bank has suffered financial loss in the form of uncollected significant overdraft fees, the interests of the Bank's depositors have been prejudiced; and
- (c) Such alleged violations, practices and/or breaches of fiduciary on the part of the Respondent demonstrate the Respondent's willful and/or continuing disregard for the safety or soundness of the Bank.

The FDIC further determined that such alleged violations, practices and/or breaches of fiduciary duty demonstrate the Respondent's unfitness to serve as a director, officer, person participating in the conduct of the affairs or as an institution-affiliated party of the Bank, any other insured depository institution, or any other agency or organization enumerated in 12 U.S.C. §

1818(e)(7)(A). Furthermore, the FDIC, after taking into account the CONSENT AGREEMENT, the appropriateness of the penalty with respect to the financial resources and good faith of the Respondent, the gravity of the alleged violations by Respondent, the history of previous violations by Respondent, and such other matters as justice may require, the FDIC accepted the CONSENT AGREEMENT and issued the following:

ORDER OF PROHIBITION
FROM FURTHER PARTICIPATION
AND CIVIL MONEY PENALTY

1. Vernon Beryle Murdoch, Jr. is hereby assessed a penalty of \$2,500.00, payable in certified funds to the Treasury of the United States;

2. Vernon Beryle Murdoch, Jr. is hereby, without the prior written approval of the FDIC and the appropriate Federal financial institutions regulatory agency, as that term is defined in 12 U.S.C. § 1818(e)(7)(D), prohibited from:

(a) participating in any manner in the conduct of the affairs of any financial institution or organization enumerated in 12 U.S.C. § 1818(e)(7)(A);

(b) soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent or authorization with respect to any voting rights in any financial institution enumerated in 12 U.S.C. § 1818(e)(7)(A);

(c) violating any voting agreement previously approved by the appropriate Federal banking agency;

(d) voting for a director, or serving or acting as an institution-affiliated party; and

(e) seeking or accepting indemnification from any insured depository institution for the civil money penalty assessed and paid in this matter.

3. This ORDER will become effective ten (10) days after its issuance. The provisions of this ORDER will remain effective and enforceable except to the extent that, and until such time as, any provision of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

Pursuant to delegated authority.

Dated this _____ day of _____, 2002.

Michael J. Zamorski
Director
Division of Supervision