



# NEWS RELEASE

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PUBLIC HEARING SCHEDULED FOR POSSIBLE ASSESSMENT OF  
CIVIL MONEY PENALTIES AGAINST TEXAS BANKERS

The Federal Deposit Insurance Corporation today announced that a public hearing will be held October 8, 1991, before an Administrative Law Judge in Texas to determine whether the agency should assess civil money penalties against three former officers and shareholders of Freedom Bank, DeLeon, Texas. Seven other former associates of the bank have entered into settlement agreements with the FDIC.

Under Section 8(i) of the Federal Deposit Insurance Act, the FDIC is authorized to impose civil money penalties against individuals if there is evidence that that such individuals violated any law, final or temporary order, condition imposed in writing by the agency in connection with the granting of an application, or written agreement.

The FDIC charges that Ira Lee Brannan, David Brannan and Stephen L. Brannan, while members of the bank's board of directors and principal shareholders, violated a federal regulation when they permitted the bank to overpay taxes due and owing by it to its holding company. Further, they agreed to make a loan to an affiliated company in violation of the Banking Affiliates Act of 1983. Some of the individuals charged benefited directly as a result of the overpayments and the loan.

The public administrative hearing is scheduled for 1:30 p.m. in the Federal Building, 300 East 8th Street, Room 577, Austin, Texas.

The Comprehensive Thrift and Bank Fraud Prosecution and Taxpayer Recovery Act of 1990 requires all hearings of the federal banking agencies to be open to the public after November 30, 1990.

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