

ALLEN D. STANLEY
Assistant Vice President



FEDERAL
RESERVE
BANK
of ATLANTA

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October 8, 2008

Cathy Rains
[REDACTED]

Brownsville, Tennessee 38012-6952

Re: Criminal Conviction – Prohibition from Banking Industry

Dear Ms. Rains:

The Federal Reserve Bank of Atlanta has become aware that you were convicted upon a plea of guilty of bank fraud, aiding, and abetting, in connection with your employment by Regions Bank. A copy of your judgment of conviction is attached. Because you have been convicted of a crime involving dishonesty or breach of trust, you are automatically subject to the prohibitions set forth in Section 19 of the Federal Deposit Insurance Act, as amended (“Section 19”)(12 U.S.C. § 1829) for banking organizations and in Section 205 of the National Credit Union Act, as amended (“Section 205(d)”) (12 U.S.C. § 1785(d)) for insured credit unions.

Section 19 and Section 205(d) prohibit you from becoming or continuing as an institution-affiliated party with respect to any of the banking organizations or credit unions described below. This means that you may not, among other things, act as an employee, officer, director, or agent of these banking organizations or credit unions. Nor may you otherwise participate, directly or indirectly, in the conduct of the affairs of any of these organizations. You are also prohibited from directly or indirectly owning or controlling any insured depository institution or holding company. These statutes do not prohibit you from being a normal, arms-length customer of a banking organization or credit union, such as having a loan, checking or savings account.

The prohibitions of Section 19 and Section 205(d) cover all insured depository institutions, including, but not limited to, any bank, savings association or credit union, and their holding companies, as well as Edge corporations and Agreement corporations. The Federal Deposit Insurance Corporation may grant written consent for you to engage in otherwise prohibited conduct with respect to insured depository institutions, and the Federal Reserve may grant written consent with respect to bank holding companies and Edge and Agreement corporations. The Office of Thrift Supervision may grant consent with respect to savings and loan association holding companies. The National Credit Union Administration Board may grant consent for insured credit unions. The automatic prohibition does not cover non-bank subsidiaries of bank holding companies or uninsured branches or agencies of foreign banks, unless the appropriate federal banking agency takes further action against you.

Should you engage in prohibited conduct without obtaining the required consent from the appropriate agency, you could be subject to daily criminal fines of up to \$1,000,000 or up to five years imprisonment.

This letter will be posted on the website of the Board of Governors of the Federal Reserve System. If you believe that the prohibitions of Section 19 and Section 205(d) do not apply to you, because, for example, your conviction has been reversed on appeal, or for any other reason, please contact Assistant Vice President Kathryn Hinton in writing at this Reserve Bank.

Sincerely,



Allen D. Stanley

cc: Stephen Meyer
Assistant General Counsel
Board of Governors
Legal Division – Mail Stop 13
Washington, D.C. 20551

Director, Department of Supervision
National Credit Union Administration
700 Central Parkway
Suite 1600
Atlanta, Georgia 30328

Steve Butzine
VP – BSA/AML Investigations
Regions Bank
417 North 20th Street
Birmingham, Alabama 35203

April Rose Goode
Federal Public Defender's Office
200 Jefferson Avenue, Suite 200
Memphis, Tennessee 38103

Special Activities Section
Division of Supervision
Federal Deposit Insurance Corporation
550 17th Street N.W.
Washington, D.C. 20429

Commissioner
Department of Financial Institutions
511 Union Street
Nashville City Center, Suite 400
Nashville, Tennessee 37219

Carroll L. Andre, III
Assistant U.S. Attorney
Office of U.S. Attorney
167 North Main Street, Suite 800
Memphis, Tennessee 38103

Trey Wheeler
Regions Bank Central Point of Contact
Federal Reserve Bank of Atlanta

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEE
MEMPHIS DIVISION**

UNITED STATES OF AMERICA

-v-

CATHY LYNN RAINES

**2:07CR20349-01-B
(Redacted Version)**

**April R. Goode, FPD
Defense Attorney
200 Jefferson Avenue, Suite 200
Memphis, TN 38103**

**JUDGMENT IN A CRIMINAL CASE
(For Offenses Committed On or After November 1, 1987)**

The defendant pleaded guilty to Count 1 of the Indictment on January 29, 2008. Accordingly, the court has adjudicated that the defendant is guilty of the following offenses:

| <u>Title & Section</u> | <u>Nature of Offense</u> | <u>Date Offense Concluded</u> | <u>Count Number</u> |
|----------------------------|---------------------------------|---------------------------------------|-------------------------|
| 18 U.S.C. §§ 1344 and 2 | Bank Fraud, Aiding and Abetting | 06/13/2007 | 1 |

The defendant is sentenced as provided in the following pages of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984 and the Mandatory Victims Restitution Act of 1996.

Counts 2-12 are dismissed on the motion of the United States.

IT IS FURTHER ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution costs and special assessments imposed by this judgment are fully paid.

Date of Imposition of Sentence:
April 30, 2008

s/ J. Daniel Breen
J. DANIEL BREEN
UNITED STATES DISTRICT JUDGE

May 1, 2008

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Defendant's Date of Birth: 1965
Defendant's Soc. Sec. No. xxx-xx-5492
Deft's U.S. Marshal No.: 21920-076

Defendant's Mailing Address:

Brownsville, TN

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IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a term of **2 Months**.

The Court recommends to the Bureau of Prisons:

– Placement as close to Brownsville, Tennessee, as possible.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons as notified by the United States Marshal.

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to _____

at _____, with a certified copy of this judgment.

UNITED STATES MARSHAL

By: _____
Deputy U.S. Marshal

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of **3 years**.

The defendant shall report to the probation office in the district to which the defendant is released within 72 hours of release from custody of the Bureau of Prisons.

While on supervised release, the defendant shall not commit another federal, state or local crime and shall not possess a firearm, ammunition, or destructive device as defined in 18 U.S.C. § 921.

The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as directed by the probation officer.

The defendant shall comply with the following standard conditions that have been adopted by this court.

STANDARD CONDITIONS OF SUPERVISION

1. The defendant shall not leave the judicial district without the permission of the court or probation officer;
2. The defendant shall report to the probation officer as directed by the court or probation officer and shall submit a truthful and complete written report within the first five days of each month;
3. The defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
4. The defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
5. The defendant shall notify the probation officer **ten(10) days prior** to any change in residence or employment;
6. The defendant shall refrain from the excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any narcotic or other controlled substance, or any paraphernalia related to such substances, except as prescribed by a physician, and shall submit to periodic urinalysis tests as directed by the probation officer to determine the use of any controlled substance;
7. The defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered; The defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
8. The defendant shall permit a probation officer to visit him or her at anytime at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer;
9. The defendant shall notify the probation officer within **72 hours** of being arrested or questioned by a law enforcement officer;
10. The defendant shall not enter into any agreement to act as an informer or a special agent of a law

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enforcement agency without the permission of the court;

11. As directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.
12. If this judgment imposes a fine or a restitution obligation, it shall be a condition of supervised release that the defendant pay any such fine or restitution in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

ADDITIONAL CONDITIONS OF SUPERVISED RELEASE

The defendant shall also comply with the following additional conditions of supervised release:

1. Participate in the Home Detention program for a period of **6 Months**. During this time, defendant will remain at defendant's place of residence except for employment and other activities approved in advance by the defendant's Probation Officer. Defendant will be subject to the standard conditions of Home Detention adopted for use in the Western District of Tennessee, which may include the requirement to wear an electronic monitoring device and to follow electronic monitoring procedures specified by the Probation Officer.
2. Participate in substance abuse testing and treatment as directed by the Probation Officer.
3. Participate in mental health counseling as directed by the Probation Officer.
4. Be prohibited from incurring new credit charges, opening additional lines of credit, or making an obligation for any major purchases without approval of the Probation Officer.
5. Provide the Probation Officer access to any requested financial information.
6. Seek and maintain full-time employment.
7. Provide third party risk notification.
8. Cooperate with DNA collection as directed by the Probation Officer.

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CRIMINAL MONETARY PENALTIES

The defendant shall pay the following total criminal monetary penalties in accordance with the schedule of payments set forth in the Schedule of Payments. The defendant shall pay interest on any fine or restitution of more than \$2,500, unless the fine or restitution is paid in full before the fifteenth day after the date of judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options in the Schedule of Payments may be subject to penalties for default and delinquency pursuant to 18 U.S.C. § 3612(g).

Total Assessment**\$100.00****Total Fine****Total Restitution****\$35,995.00**

The Special Assessment shall be due immediately.

FINE

No fine imposed.

RESTITUTION

Restitution in the amount of **\$35,995.00** is hereby ordered. The defendant shall make restitution to the following victims in the amounts listed below.

| <u>Name of Payee</u> | <u>Total Amount of Loss</u> | <u>Amount of Restitution Ordered</u> | <u>Priority Order or Percentage of Payment</u> |
|--|--|---|---|
| Regions Bank, Attn: Bryan Clark - Investigator | \$35,995.00 | \$35,995.00 | |

If the defendant makes a partial payment, each payee shall receive an approximately proportional payment unless specified otherwise in the priority order or percentage payment column above.

The amount of loss and the amount of restitution ordered will be the same unless, pursuant to 18 U.S.C. § 3664(f)(3)(B), the court orders nominal payments and this is reflected in the Statement of Reasons page.

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SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties shall be due as follows:

E. Special instructions regarding the payment of criminal monetary penalties:

Pay restitution in regular monthly installments of not less than 5% of gross monthly income. Interest requirement is waived. Defendant to notify U.S. Attorney and the Court of any material change in economic circumstances that may affect defendant's ability to pay restitution.

Unless the court has expressly ordered otherwise in the special instructions above, if this judgment imposes a period of imprisonment, payment of criminal monetary penalties shall be due during the period of imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court, unless otherwise directed by the court, the probation officer, or the United States attorney.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

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