



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE

Post Office Box 27622 · Richmond, VA 23261

Phone 804-697-8000 · www.richmondfed.org

July 26, 2012

Via Certified Mail

Karen A. Lowe
Street address blocked for privacy
Canton, North Carolina 28716

Re: Criminal Conviction – Prohibition from Banking Industry

Dear Ms. Lowe:

The Federal Reserve Bank of Richmond has become aware that you were convicted after trial of embezzlement in connection with your employment by RBC Bank USA. 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 and savings and loan holding companies and Edge and Agreement corporations. 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.

Ms. Lowe

July 26, 2012

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 Michael A. Breeding in writing at this Reserve Bank.

Sincerely,

Signature blocked for privacy

Edward B. Norfleet
Assistant Vice President

cc: North Carolina Office of the Commissioner of Banks
Attn: Mr. Ray Grace, Acting Commissioner
316 West Edenton Street
Raleigh, North Carolina 27603

Mr. Charles Cook, Attorney
572 Henson Cove Road
Canton, North Carolina 28716-9020

Mr. John L. Kuray
Senior Counsel
Board of Governors
Legal Division - Mail Stop 13
20th & Constitution Avenue
Washington, D.C. 20429

Director
Department of Supervision
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

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

Judgment and Disposition Order, dated March 29, 2011, concerning State v. Lowe, Karen A., Case No. 11CRS000126, in the General Court of Justice Superior Court Division, Haywood County, Waynesville, North Carolina on file.