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ESTATE OF TARP BANK PRESIDENT SUED TO RECOVER \$17.3 MILLION INVESTMENT IN TARP BANK

WASHINGTON, DC - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and the U.S. Department of Justice today announced that the United States has sued the estate and trusts of the late Layton P. Stuart, former owner and president of TARP recipient One Financial Corporation, and its wholly-owned subsidiary, One Bank & Trust N.A., both based in Little Rock, Arkansas, alleging that Stuart made misrepresentations to induce the U.S. Department of the Treasury to invest \$17.3 million of Troubled Asset Relief Program (TARP) funds in One Financial as part of Treasury's Capital Purchase Program (CPP).

"The complaint filed in federal court is the first time a TARP bank has been charged under the False Claims Act for making material misrepresentations to Treasury in order to obtain taxpayer TARP bailout funds," said Christy Romero, Special Inspector General for TARP (SIGTARP). "TARP was passed by Congress to stabilize banks and our nation's financial system during a time of crisis, not for the benefit of those who resort to false claims as a pretext for receiving TARP. We commend the Justice Department and our law enforcement partners for standing united with SIGTARP to hold accountable those who violate the law at the expense of taxpayers' hard-earned TARP investments."

"TARP was enacted in 2008 to restore liquidity and stability to the financial system of the United States by injecting needed capital into financial institutions," said Principal Deputy Assistant Attorney General Benjamin C. Mizer, head of the Justice Department's Civil Division. "Obtaining TARP funds based on false representations to the government frustrates those goals and harms the American taxpayer."

According to the United States' complaint, Stuart, on behalf of One Financial, applied in late-2008 for a TARP investment totaling \$17.3 million. The complaint alleges that Stuart knowingly made false statements about the financial condition of One Bank and its intentions for the use of the TARP funds. In particular, the statements and TARP application allegedly concealed serial frauds that Stuart and other One Financial directors and bank executives had been committing and intended to continue committing on One Bank. As set forth in the complaint, the schemes involved Stuart's diversion of funds from One Bank for personal use including, within 30 days of receiving the \$17.3 million in TARP funds, the diversion of more than \$2 million into personal accounts for his own use. Stuart was terminated from One Bank in September 2012.

The investigation was conducted by SIGTARP, Internal Revenue Service - Criminal Investigation, the Justice Department Civil Division's Commercial Litigation Branch, and the U.S. Attorney's Office for the Eastern District of Arkansas. The case is captioned *United States v. Estate of Layton P. Stuart, et al.*, No.

1:15-cv-01044-RDM (D.D.C.). The claims asserted by the government are allegations only and there has been no determination of liability.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

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