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**FORMER ORION BANK PRESIDENT INDICTED FOR CONSPIRACY
TO COMMIT BANK FRAUD AND DECEIVE BANK EXAMINERS**

Fort Myers, Florida - United States Attorney Robert E. O'Neill announces the return by a grand jury of an indictment charging Jerry J. Williams (51, Forth Worth, Texas), formerly of Naples, Florida, with conspiracy to commit bank fraud and deceive federal and state bank examiners. Williams is also charged with two counts of misapplication of bank funds; two counts of making false entries in the reports of Orion Bank; mail fraud; wire fraud and money laundering. If convicted, Williams faces the following maximum penalties in federal prison, respectively.

Conspiracy	=	5 years
Misapplication of Bank Funds (2 counts)	=	30 years (for each count)
Making False Entries (2 counts)	=	30 years (for each count)
Making False Statements	=	5 years
Mail Fraud	=	20 years
Wire Fraud (2 counts)	=	30 years (for each count)
Money Laundering	=	10 years

According to the indictment, Williams was the President, Chief Executive Officer, and

Chairman of the Board of Orion Bancorp, Inc. and the former Orion Bank, a federally insured financial institution, that was headquartered in Naples, Florida. The indictment alleges that Williams orchestrated a complex conspiracy to fraudulently raise capital and falsify bank records in order to mislead state and federal regulators as to the bank's true financial condition.

According to the indictment, beginning in May 2009, Williams directed executives and officers of Orion Bank to provide financing for two stock purchases, the results of which were large capital infusions into Orion Bancorp, Inc. These two capital infusions created the illusion to regulators that Orion Bank's capital position had improved considerably.

The indictment states that the first round-trip transaction occurred in June 2009. Williams directed Orion Bank executives to increase, to \$82 million, the amount of loans-in-process to straw borrowers on behalf of Francesco "Frank" Mileto. Williams also directed the increase in loan proceeds in order to provide and conceal \$15 million for Mileto's purchase of Orion Bancorp, Inc. stock, despite knowing that banking laws and regulations prohibited Orion Bank from financing the purchase of its own stock.

Mileto allegedly provided fraudulent financial documents to Orion Bank, reporting millions of dollars of annual income from an Italian family trust. The indictment alleges that top Orion Bank executives discovered that Mileto had submitted fraudulent documents to support the June 2009 loans, as well as prior loans. However, Williams directed that the loans close despite this information, in order to secure the capital infusion to the bank. The stock was purchased through a series of transactions designed to conceal the true source of the funds from federal regulators. Williams was the only Orion Bank employee who had the authority to approve loans over \$10 million for submission to the Orion Bank Board of

Directors Loan Committee.

The second round-trip transaction occurred in June and July 2009. Williams directed Orion Bank employees to increase the amounts of loans-in-process to an Orion Bank depositor to \$18 million, in order to provide and conceal \$7 million of financing for the purchase of Orion Bancorp, Inc., despite knowing that banking laws and regulations prohibited the bank from financing the purchase of its own stock.

The indictment further alleges that Williams caused Orion Bank Executive Vice President Thomas Hebble to present loan packages regarding the round-trip transactions for approval to the Orion Bank Board Loan Committee, despite knowing that the loan packages contained materially false and misleading information. After Senior Vice President Angel Guerzon signed the fraudulent loans on behalf of Orion Bank, Williams lied to regulators about the true source of the funds, fraudulently categorizing the stock purchases as new capital, despite knowing that \$22 million of the capital raised was financed by the bank. Further, the indictment alleges that when questioned about the transactions by state and federal examiners, Williams and other bank executives provided false documentation to examiners, designed to mislead the regulatory authorities as to the source of the capital infusion, and the true financial condition of Orion Bank.

The indictment also alleges that during June 2009, Williams sold personal shares of his Orion Bancorp, Inc. stock to three different individuals for \$765,600 under false and fraudulent pretenses for his own personal gain. The indictment also notifies Williams that the United States is seeking a monetary judgment in the amount of \$765,600.00, the proceeds from the stock purchases, as well as restitution to the victims as determined by the Court.

The State of Florida Office of Financial Regulation closed Orion Bank on November

13, 2009, and named the Federal Deposit Insurance Corporation (FDIC) as Receiver. The FDIC estimates that the cost to the Deposit Insurance Fund as a result of Orion Bank's failure will exceed \$600 million.

On March 31, 2011, Francesco Mileto (40, Tamarac), Thomas Hebble (50, Naples), and Angel Guerzon (42, West Palm Beach) were separately charged as a result of their participation in the scheme. Mileto was charged with conspiracy to commit bank fraud, while Hebble and Guerzon were charged with conspiracy to commit bank fraud and obstruction of a federal bank examination. If convicted, Mileto faces a maximum penalty of 30 years in federal prison. Hebble and Guerzon each face a maximum penalty of 5 years in federal prison.

"Financial institutions and their principals, in doing business with the public, are governed by specific laws and regulations," said U.S. Attorney Robert O'Neill. "When these practices are breached, they undermine an entire system of accountability. Wherever found, such allegations must be investigated thoroughly and prosecuted to the fullest extent of the law."

Elizabeth Coleman, Inspector General of the Federal Reserve Board Office of Inspector General (FRB - OIG) stated, "The FRB OIG is strongly committed to exercising its full authority to pursue criminal conduct. In addition, we are proud of the broad participation of our federal partners in combating fraud in the financial sector."

"The Federal Deposit Insurance Corporation (FDIC) Office of Inspector General (OIG) is pleased to join the United States Attorney's Office for the Middle District of Florida and our law enforcement colleagues in announcing this indictment," said Inspector General Jon T. Rymer. "We are particularly concerned when senior bank officials, who have held positions of trust within their institutions, are either alleged to have been involved in criminal

activity or admit their involvement in criminal activity. We will continue to aggressively pursue bank officials and others who victimize financial institutions."

"High-ranking bank executives hold positions of trust not only in their financial institutions but also in the eyes of the public. That trust is broken when such executives allegedly abuse their power and commit crimes," said Tracey Montaña, Assistant Special Agent-in-Charge, Tampa Field Office. "IRS Criminal Investigation is proud to join with our law enforcement partners in announcing today's indictment. We are committed to following the money and bringing to justice individuals who violate the law."

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent unless, and until, proven guilty.

This case was investigated by the Federal Reserve Board - Office of Inspector General, the Federal Deposit Insurance Corporation - Office of Inspector General, the Federal Bureau of Investigation, the Internal Revenue Service - Criminal Investigation, and Special Inspector General for the Troubled Asset Relief Program. It will be prosecuted by Assistant United States Attorney Nicole H. Waid.