Chairman's Annual Awards 2014

The 2014 Annual Awards Ceremony, held September 28 at the Virginia Square Auditorium and broadcast nationwide, celebrated FDIC achievements across the country and across many fields. The recipients were applauded for having served the FDIC, their colleagues, the public, and their communities with distinction. DOA Director Arleas Upton Kea presided over the ceremony, and Gary L. Clayton of DCP-Atlanta led the audience in a soaring rendition of the National Anthem. Chairman Martin Gruenberg saluted the recipients for their contributions. "The annual awards we're giving today recognize achievements that are above and beyond the call of duty," he said. "I should remind everyone that the award nominations are put forward by employees. This means that the nominees have earned the admiration and respect of their peers. So, congratulations to all our award recipients. We greatly appreciate your work, and thank you for advancing the FDIC's mission." Chairman Gruenberg presented the Chairman's Excellence Awards. Vice Chairman Thomas Hoenig and the Division and Office directors conferred the honorary awards and the 35-year service recognition awards. Director Kea concluded by thanking the individuals who organized the celebration.

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Kansas City ROMIG Serves as Veritable Incubator of Savvy Ideas

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Creativity and Innovation Award
Kansas City Regional Office Management Information Group (ROMIG)

A Kansas City team melded creative ideas with technology to deliver new and efficient solutions in 2014. In doing so, the Kansas City Regional Office Management Information Group (ROMIG) introduced novel ways of doing business that could well be adopted nationwide.

Three examples illustrate the year's achievements. The team revolutionized the traditional field supervisors meeting, which typically draws field supervisors from locations across the region. Using the latest technology, the team organized and delivered a three-day, interactive, virtual meeting in which no field supervisor had to leave the comfort of his or her office. Bringing together 16 field offices across seven states, plus the Washington Office, this dynamic meeting used multiple screens to display speakers in real time and high definition.

Orchestrating the technological details needed to ensure connectivity for the duration of this first-time meeting was no small feat, but the team succeeded with flying colors. Rave reviews poured in from all corners. Participant satisfaction improved markedly, cost savings skyrocketed, travel time was reduced to zero, and safety was an added bonus, with field supervisors avoiding winter driving. Needless to say, more Kansas City virtual meetings are planned.

A second example shows how the team saw a way to overcome obstacles. Breaking down technological barriers transformed a basic, nondescript meeting room into a virtual one. Staff can now hold virtual meetings whenever they choose, and future enhancements will allow regional and field staff to participate in bank board meetings that they would otherwise bypass due to time and travel constraints. Cost savings are predicted.

Finally, a third example reveals how this visionary team not only generates nifty ideas but sees them through to completion. The team designed a software technology that allows examiners to view imaged bank loan documents in a standard format. The technology subjects imaged loan documents, which are formatted differently based on the bank's technology vendor, to standard specifications as they are downloaded. Examiners are thus freed from using different retrieval software programs on site and can instead use this "universal document viewer" remotely. Interestingly, not only does the technology, which the team swiftly brought to pilot, increase examination efficiency and save travel costs and expenses, but it also benefits banks by reducing the need to hold additional software licenses.

For giving birth to new ideas that yield fresh business solutions, the Kansas City ROMIG is indeed a dream team worthy of the FDIC's first Creativity and Innovation Award.

Kansas City Regional Office Management Information Group (ROMIG) members: RMS, Kansas City: Rita D. Cook; Glenn Martin Cooper, Jr.; Timothy J. Dinslage; Adam M. Gilstrap; Megan A. Karnowski; and Richard J. Speigle.

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Curtis W. Theyse Sets and Exceeds High Standards in Service to the FDIC

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Edward J. Roddy Examiner Excellence Award—DCP

Curtis W. Theyse consistently puts his technical expertise and analytical skills to good use as a senior compliance examiner based in the Springfield, Illinois, Field Office. A dual-commissioned examiner with 28 years of experience, Theyse views banking problems from various perspectives, identifies risks, and arrives at fair and impartial decisions. As a result, he is often called upon to deal with complex banking issues in his territory and the Chicago Region generally.

In 2011, Theyse served as Examiner-in-Charge of a bank beset with problems, including adverse compliance ratings, an enforcement action, and pending litigation. Theyse maintained his steady composure during a difficult examination, impressing the senior managers whom he regularly apprised of his findings.

Theyse's reputation has spread beyond the Chicago Region, making him a preferred candidate for assignments that are national in scope. When DCP began training examiners in new mortgage rules, Theyse was recruited as a valued resource. Predictably, he volunteered to handle two of the most complex aspects of the regulations. Said Senior Policy Analyst and Team Leader Kathleen Keest: "We literally could not have done it without him. Curtis gave us what we needed to know so examiners could provide assurance to banks as they transitioned to compliance with the new rules."

Theyse's success in clarifying the rules led to another related assignment; he was asked to join a project team developing a training program for one of the more challenging mortgage rules. According to Keest, he agreed on short notice "to commit an extraordinary amount of time and effort in addition to his regular duties to help tailor the training to examiners' needs." Keest praised his "wisdom, determination to master a long rule in a short time, and creativity in figuring out how to share his knowledge through training."

Section Chief Paul Robin described Theyse as a "fully dedicated team member in this endeavor—everyone enjoys and benefits from working with him."

Cultivating these types of relationships helps explain why Theyse is effective and held in high esteem. "Curtis embodies the core values of an FDIC employee," said Deputy Regional Director Teresa Sabanty. "He consistently places the FDIC's mission and the needs of his teammates first, demonstrating 'servant leadership.'"

For outstanding service and for devotion to his colleagues and the FDIC, Curtis Theyse is a worthy recipient of the Edward J. Roddy Examiner Excellence Award—DCP.

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Examiner Stephen J. Reynolds' Four Decades of Achievements Honored

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Edward J. Roddy Examiner Excellence Award—RMS

Stephen J. Reynolds' contributions as an FDIC senior risk examiner span more than 40 years. That he has worked on and led hundreds of bank examinations during some of the most critical periods in recent FDIC history comes as no surprise. From his home base in the Hartford, Connecticut, Field Office, where he has spent the majority of his career, Reynolds was dispatched to problem banks in the Midwest during the agricultural crisis, the Southwest during the oil patch crisis, and his own territory, the Northeast, during the real estate crisis. The S&L crisis of the late 1980s and early 1990s found him equally in demand.

A capital markets specialist who wrote his Stonier Graduate School of Banking thesis on asset securitization, Reynolds regularly leads complex examinations in the New York Region. As Examiner-in-Charge of the subsidiary banks of Citizens Financial Group, he devised a supervisory strategy with minimal formal guidance. In 2009, he also helped develop a supervisory plan for the Bank of New York Mellon. In 2010, he took part in a high-profile investigation of foreclosure procedures, i.e., robo-signing, at an affiliate of a $60 billion FDIC-supervised bank. The team's procedures later became a model for foreclosure reviews at other financial institutions.

A long-time participant in the annual, interagency Shared National Credit (SNC) reviews of large money-center banks, Reynolds is also an instructor. SNC Program Coordinator Mark Sheely said, "Steve's judgment is always first rate, and he's not afraid to express opposing views during the voting process."

Among his many other readily acknowledged strengths, Reynolds is also a widely sought-after trainer and coach. When the Hartford Field Office staffed up in the late 1980s and early 1990s, Reynolds took the lead in training and coaching two dozen new examiners, many of whom now serve throughout the FDIC. One "graduate" of that time, Special Advisor to the Chairman Jason Cave, said: "Steve has a way of making everyone he works with feel valued and provides suggestions and recommendations in a way that makes you *want* to do better."

Reynolds also consistently keeps up on industry trends and shares what he learns with his colleagues. For these and other achievements too numerous to mention here, Reynolds is more than deserving of the Edward

J. Roddy Examiner Excellence Award—RMS.

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Michael S. Krahmer Brings Community Spirit to Diversity and Inclusion

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Annie D. Moore EEO, Diversity and Inclusion Award

Michael S. Krahmer is a one-man, all-around diversity champion. A senior compliance examiner in the Mankato, Minnesota, Field Office, Krahmer extols the benefits of diversity and inclusion as a longstanding member of various councils. Seizing the initiative, he also creates and delivers presentations on various diversity and inclusion concepts. As a speaker and facilitator, Krahmer brings fresh perspectives to diversity and inclusion and makes his topics accessible. Not content to rest there, Krahmer also practices inclusiveness, organizing celebrations for his co-workers and recognizing their accomplishments.

Krahmer has served for two years on the Chairman's Diversity Advisory Council (CDAC) for the Kansas City Region and encourages his colleagues to participate. A Diversity Recognition Certificate speaks to his contributions.

Krahmer celebrated the many different ways to be an American in a presentation entitled "The Average American." LGBT issues were highlighted in a discussion entitled "Straight Man in a Gay World," a presentation that was later posted on the Kansas City CDAC website. Housing discrimination was the focus of a presentation in which Krahmer showed a video, shared data from a University of Minnesota study alleging redlining in Minneapolis, and conducted a quiz with prizes. The presentation earned him a STAR award.

Krahmer also contributes articles to the Kansas City Region's diversity newsletter, *The Spectrum*. One article reviewed *Dallas Buyers Club*, a film about an AIDS patient diagnosed in the mid-1980s when the disease was misunderstood and highly stigmatized.

Fostering an inclusive workplace is another Krahmer trademark. He graciously mentors and trains his less experienced co-workers and listens thoughtfully to their concerns. Mentees come away feeling valued, supported, and empowered. Achievements are gratefully acknowledged with STAR awards. Krahmer also organizes birthday and other major celebrations, proving that fun and festivity are sometimes the best way to promote inclusion.

For his winning approach to diversity and inclusion, Michael Krahmer is a worthy recipient of the Annie D.

Moore EEO, Diversity and Inclusion Award.

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Roberta K. McInerney Advances FDIC Diversity and Inclusion Goals

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Annie D. Moore EEO, Diversity and Inclusion Award—Executive

Deputy General Counsel Roberta K. McInerney demonstrates a steadfast advocacy for diversity and inclusion at the FDIC. McInerney's belief in diversity and inclusion is directly responsible for FDIC's significant progress internally, and among the FDIC-regulated entities.

McInerney is dedicated to advancing the Legal Division's workforce development plan that ensures training, career development, and advancement opportunities, while simultaneously promoting the diversity of its workforce. She provided executive-level leadership to the Division's Diversity Plan that encompasses both an internal and external focus. During the hiring of legal staff during the financial crisis, the diversity of the attorney workforce grew by 32 percent in women and 28 percent in minorities.

McInerney also provided legal expertise and support to the Office of Minority and Women Inclusion (OMWI) on a number of policy issues, including the following: drafting the charter for the Diversity and Inclusion Executive Advisory Council; the annual Dodd-Frank Report to Congress; the Diversity and Inclusion Strategic Plan; the Interagency Statement of Policy for Assessing the Diversity Policies and Practices of Regulated Entities; and contributing to numerous OMWI directives critical to the mission of the FDIC's diversity and inclusion goals.

McInerney's leadership skills, experience, and commitment played an instrumental role in furthering the FDIC's diversity and inclusions goals.

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Martin D. Henning Shepherds CIO Organization Through Major Transition

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Chairman's Excellence Award—Executive

Martin D. Henning is widely known and respected throughout the FDIC for keeping a steady hand in the face of a challenge and using innovation to move the organization forward. His 2014 tenure as Acting Chief Information Officer (CIO) was no exception. At a time when the CIO Organization was undergoing major structural change, Henning stepped in with his usual equanimity and skillfully managed the transition.

With cybersecurity very much in the forefront of FDIC concerns, Henning understood that effecting a coherent organizational change was crucial. He encouraged his leadership team to address the separation of duties among the CIO, the Director of the Division of Information Technology (DIT), and the Chief Information Security Officer (CISO) in a collaborative, open manner. In doing so, he achieved a workable, meaningful structure designed to prepare the FDIC to meet cybersecurity challenges now and in the future. At the same time, significant improvements in FDIC IT security have been made and verified by both Government Accountability Office (GAO) and Inspector General auditors.

Meanwhile, another transition was underway in many of the contracts supporting FDIC IT. Many of these contracts had undergone a re-competition, and transitions were needed in many cases. Mindful of the potential for disruption, Henning prioritized these transitions high on the list of tasks. Teams within the CIO organization and outside worked hard, and the transitions have largely been completed with minimal disruption.

Seeing an opportunity for improvements, Henning partnered with Deputy to the Chairman and Chief Financial Officer Steve App to introduce new ideas for structuring and managing multiyear IT investments. Consulting extensively with FDIC leaders, Henning and App reached agreement on ideas such as breaking large projects into smaller components and requiring material, quantifiable, and baselined business value to be identified in investment cases. These ideas are being used in the two most recently approved large IT projects to improve focus and lower risk.

For managing and leading an operation of significant consequence to the FDIC, Henning is a deserving recipient of the Chairman's Excellence Award—Executive.

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Invaluable Team Player Scott A. Kleinert Helps Chicago Meet IT Exam Benchmarks

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Chairman's Excellence Award—Individual

Of Scott A. Kleinert's indispensable contributions to the RMS-Chicago Territory in 2014, there can be no doubt. The IT examination analyst independently completed 26 of the territory's 31 specialized IT exams performed last year and even went on to conduct an IT examination in Champaign, Illinois. Without his expertise, the territory would have been hard-pressed to meet its goals for the year.

Recent demands in other safety and soundness areas had kept the territory's examiners from conducting more specialized examinations such as those for IT. Moreover, six of the 26 exams led by Kleinert involved training newly commissioned examiners. Kleinert's skill in detecting IT risks was instructive to his colleagues, while saving time and ensuring thorough reports. Bankers also value his clear explanations of IT risk.

Kleinert devotes his rare downtime to training examiners on the job and in the classroom. His guide on completing an IT exam is a handy reference. He was also the obvious choice to design and present a two-day seminar for Chicago Field Office examiners who needed to refresh their IT examination skills. He led two such seminars to date and another is scheduled for 2016.

Kleinert also generously shares his specialized knowledge of mobile banking and cybersecurity. He was a speaker on mobile banking topics at a 2014 Chicago Region summit for IT subject matter experts; not surprisingly, he was also invited to join an interagency cybersecurity working group.

A ready volunteer for other types of exams, Kleinert participated in two Bank Secrecy Act (BSA) reviews last year. His colleagues appreciated his insights on funds management areas where BSA and IT overlap, such as wires, Automated Clearinghouse issues, and remote deposit capture.

Continually replenishing his technical knowledge through trade magazines, webinars, internal FDIC resources, and discussions, Kleinert makes reliable best practices recommendations to examiners and bankers.

Known for his wit, humor, and kindness, Kleinert makes himself available to colleagues, offering support whenever needed. For his professionalism, work ethic, judgment, and collegiality, Kleinert is eminently worthy of the Chairman's Excellence Award—Individual.

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FDIC Team's Planning Advances U.S.-U.K. Cooperation at FDIC-Hosted Exercise

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Chairman's Excellence Award—Team
U.S.-U.K. Principal-Level Exercise on G-SIFI Resolution Team

In recent years, the FDIC has partnered with the Bank of England to develop cross-border resolution strategies should a globally active, systemically important financial institution (G-SIFI) fail. These strategies have been explored through a variety of joint work streams and staff-level simulation exercises.

In 2014, to build on these efforts, an FDIC team organized a "principal-level exercise" designed to further understanding, communication, and cooperation between U.S. and U.K. financial regulatory authorities in the event of a G-SIFI failure. With the FDIC hosting the first-of-its-kind event, the team took the lead in defining the agenda; developing a public relations strategy; and coordinating logistics.

The team created a program that would enable participants to review the two countries' resolution strategies in depth by focusing on key actions and points of coordination needed to stabilize a G-SIFI in resolution. Team members worked extensively with FDIC counterparts and the staff of 10 other U.S and U.K. authorities to design a program that would ensure productive discussions within the brief span of three-and-a-half hours.

Among the officials participating in the exercise on the U.S. side were FDIC Chairman Martin J. Gruenberg, FDIC Vice Chairman Thomas M. Hoenig, former FDIC Director Jeremiah O. Norton, Federal Reserve Board

Chair Janet L. Yellin, Treasury Secretary Jacob J. Lew, and Comptroller of the Currency Thomas J. Curry. U.K. participants, among others, included Chancellor of the Exchequer George Osborne and Bank of England Governor Mark Carney.

The discussions brought about a deeper understanding of U.S.-U.K. resolution strategies, aspects of those strategies that require coordination, and potential challenges. The program the team developed also helped the principals identify follow-up issues to enhance preparedness.

Through extensive, careful preparations and thoughtful communication with a large network of counterparts, the team achieved a successful outcome. The exercise fostered communication and dialogue and demonstrated the commitment on the part of U.S. and U.K. authorities to promote a safe and sound financial system through continued cooperation and consultation. Not incidentally, their creativity and initiative also underscored the FDIC's role as a world leader in G-SIFI resolution planning.

U.S.-U.K. Principal-Level Exercise on G-SIFI Resolution Team Members: Division of Administration: Michelle B. Baker-Dubbs and Christine M. Davis. **Division of Risk Management Supervision:** Judy E. Gross. **Legal Division:** Noah S. Bloomberg; Elizabeth Falloon; Bruce W. Hickey; R. Penfield Starke; and David N. Wall. **Office of Communications:** David M. Barr. **Office of Complex Financial Institutions:** Petrina R. Dawson; Joseph V. Fellerman; Joanne M. Fungaroli; Larry D. Hamilton; Herbert J. Held; Frederick A. Tarpley; Charlton R. Templeton; and Ryan P. Tetrick.

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Kathy Russo Sets High Bar for Legal Advice and Counsel

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Douglas H. Jones Legal Excellence Award

Kathy Russo's exceptional skills as an attorney and negotiator were everywhere apparent in 2014. Highly complex legal matters have long been her domain. Russo joined the FDIC in 2008 after an almost 30-year career in private practice as a corporate transactional attorney. In private practice, her clients included the FDIC and the former RTC and FSLIC. This experience provided her with a wealth of knowledge about the FDIC and failed financial institutions before she even joined the agency.

Russo's extensive legal knowledge and experience make her the obvious choice as lead attorney in transactional and asset management matters. While always providing sound legal counsel, she is also practical and solution oriented, which facilitates the ability of others to get their jobs done. "Among transactional lawyers, there are deal makers and deal breakers, and I like to think I am one of the former," she said. "It is easy for lawyers to throw out legal hurdles, but what clients really need are legal and practical solutions to facilitate getting the deal done. Identifying and helping others to implement those solutions is the most interesting and satisfying part of my job."

In 2014, Russo's work brought several key issues to a successful conclusion. Three major areas deserve mention. Russo worked extensively to complete the Section 941 credit risk retention rulemaking process with five other government agencies. The credit risk retention rule requires a portion of the securitizations to be retained by their sponsors in order to help ensure the sustainability of these investments. Russo led the FDIC's legal team, which provided advice and assistance on complex legal topics as well as implementation of the rule. She briefed Chairman Gruenberg, other Board members, and senior managers to help develop the FDIC's interests and positions on credit risk retention issues. During the FDIC Board's deliberation of the final rule, she briefed Board members and their staffs and assisted in preparing the Board case.

Since becoming lead FDIC attorney for IndyMac Bank in 2008, Russo has been responsible for all post-closing issues related to that sale. During 2014, she continued to manage the repurchase by the IndyMac receivership and one of its subsidiaries of more than 4,000 reverse mortgage loans from eight different investors, and she and her team negotiated an agreement to retain Federal Housing Administration (FHA) insurance benefits with respect to the loans.

Derrick P. McGee Inspires Concerted Giving to Chicago Children in Need

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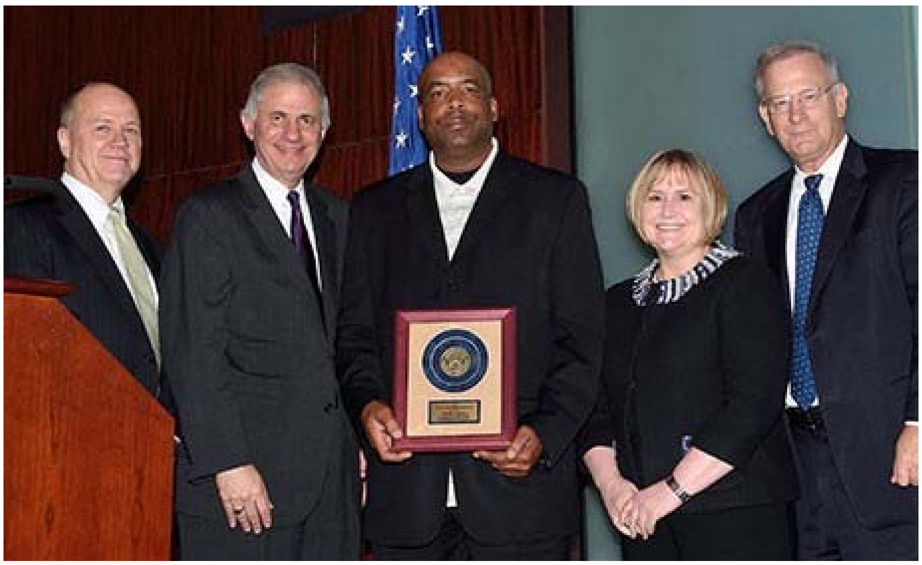

Nancy K. Rector Public Service Award

Derrick P. McGee is a humanitarian who embodies selflessness and humility. McGee, an administrative assistant in the Chicago Field Office (CFO), demonstrates a sincere concern for the most vulnerable individuals in the community by tirelessly coordinating drives for at-risk and hospitalized children in the Chicago area. His charitable spirit is what the Nancy K. Rector Public Service Award was created to showcase.

In August 2014, McGee motivated the CFO to participate in a massive effort to acquire school supplies, backpacks, and other essential learning tools to donate to two Chicago-area schools. The recipients of McGee's constant efforts are typically from underserved communities and would normally not have access to these much-needed supplies.

In December 2014, McGee once again enlisted the CFO to collect toys for sick children at Sinai Children's Hospital and Elmhurst Hospital during the holidays. The collective effort was a huge success, as McGee collected a truckload of toys. His modesty was evident when asked how he felt about the toy drive he organized. "Last year we donated to two children's hospitals, and the feedback from the hospital administrators and Santa Claus John Donovan literally brought me to tears. The sick children were elated, and smiles lit up the room."

McGee is a member of the Chairman's Diversity Advisory Council in Chicago and contributes immeasurably to the Council's efforts on behalf of the CFO. He is also an active leader during the Combined Federal Campaign. McGee, a former Marine, is an outstanding example of selfless service. McGee began working with military organizations over 30 years ago to feed the homeless, and to provide clothing and affordable housing for veterans. Service seems to be in his heart, and the less fortunate will benefit from his commitment to serve and protect. His innate compassion inspires us, and his strong leadership skills make miracles happen for many deserving children.

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For several years, Russo has also served as the lead lawyer for the administration and compliance oversight of limited liability corporations (LLCs). A singular achievement in 2014 was developing a process to expedite the liquidation of assets when LLCs fall under a “clean-up call” provision.

Throughout her work on these matters, she exhibited her usual professionalism and commitment to excellence when assisting Legal Division clients and others seeking advice and counsel from the FDIC. In addition to her superb legal work, Russo also devotes time to training and motivating lawyers in her group. A highly respected leader in the Legal Division, Russo is a deserving recipient of the Douglas H. Jones Legal Excellence Award.

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FDIC Employees Honored for 35 Years of Federal Government Service

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The recipients of the 35-Year Federal Service Recognition are as follows. **Chief Information Officer Organization:** Tina L. Brown. **Division of Administration:** Dynnia Y. Anderson; Wayne A. Hawkins; Erin M. Mettee; Suzanne F. Moy; Robin S. Printis; and Leonard I. Samowitz. **Division of Depositor and Consumer Protection:** Ruby E. Banks; and John A. Meeks. **Division of Finance:** Ray A. Cowan; Joseph A. Fanelli; and Nell E. George. **Division of Information Technology:** Marc A. Felton; and Patricia A. Oswald. **Division of Insurance and Research:** Kathleen O. Willard. **Division of Resolutions and Receiverships:** Kenneth N. Blincow; Susannah M. Flynn; Wanda D. Johnson; Rafael Nieves; Brenda L. Rich; Gary A. Seale; and William M. Terry. **Division of Risk Management Supervision:** Scott E. Anderson; Wanda Caliz; Michael T. Calvert; Dennis A. Dahl; Philip L. Dekker; Marcia Colbart Fields; David M. Haas; Larry D. Harrison; Mark C. Johnson; Mark G. Kearns; Kenneth J. Kroemer; Shirley A. Oxendine; Edmund S. Pooler; William E. Saska; William S. Scurlock; and Anita C. Veale. **Executive Offices:** Steven O. App. **Legal Division:** Miriam Aguiar; Roy Ahrens; Nicholas J. Burgess; Carey R. DeMoss; Kathleen V. Gunning; Michael B. Phillips; and Richard C. Rowley. **Office of Inspector General:** Anitra Hawkins; Giao K. Luu; Duane H. Rosenberg; Karen L. Savia; and Howard J. Trebelhorn. **Office of Legislative Affairs:** Sally C. Wood. **Office of the Ombudsman:** Rickey L. McCullough.

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Wesley C. Newbold's Swift Decision Sets New Course for Man and his Dog

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DRR Robert F. Longworth Leadership Award

Scene: A cold winter night outside a gas station in Racine, Wisconsin. A homeless disabled Marine named Pat sits, shivering. Sitting next to him is his dog, a black terrier mix named Lady. Both brace against the frigid air. Earlier that day, Pat frantically tried to find a shelter that took pets, to no avail. Hours later, a police officer approaches.

Scene: Early the next morning at a home in Dallas, Texas. A phone rings. Wes Newbold, an FDIC marketing and management specialist, answers.

As someone who has overseen real estate for most of his career, Wes Newbold was accustomed to receiving unexpected phone calls about properties the FDIC had inherited from failed banks. This call was no exception. The property manager for an FDIC-owned, five-building, 140-unit apartment complex in a high-crime area of Racine was on the line. But instead of what Newbold expected, possibly bad news about a drug-related or gang-related incident with an impact on the buildings, the property manager told him about a homeless man in need of a place to live. And then, of course, he mentioned the dog.

Newbold listened and made up his mind. This man, Pat, and his dog, Lady, were going to move into an apartment in the complex. No arguments. There was no way that Wes Newbold was going to leave a disabled veteran on the street freezing to death. Especially a man who had tried so hard to take care of his dog.

There was a practical advantage to this moral decision: Pat was willing and able to pay the rent. Newbold told the property manager to take Pat and Lady to their new home: a newly carpeted and repainted efficiency. After Facebook and local television news reported the story, boxes filled with clothes, blankets, and other gifts began to arrive.

DRR Assistant Director Dan Walker said that Newbold acted commendably. "Wes saw this man in need of help, and he made a decision right that moment, without worrying about having to check with somebody. He just did it. That's because in DRR, some circumstances encountered on a regular basis necessitate that our people have the authority to make decisions, and we trust them to do the right thing."

For his compassion and for having the courage to do the right thing, Newbold deservedly joins the list of distinguished DRR Robert F. Longworth Leadership Award recipients.

Note: Senior Writer-Editor Jay Rosenstein's story about Wes Newbold, entitled "A Room for Two: Doing the Right Thing for a Homeless Veteran and His Dog," appeared in the August 2014 FDIC News.

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Mark W. Thompson's Conference Planning Skills Make Room for Excellence

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FDIC Support Services Award

Much depends on the initiative, creativity, and resourcefulness of Mark W. Thompson. In short, if this Program Specialist in DOA's Space Management and Special Services Section did not do his job well, many others would not be able to do their jobs well.

Fortunately, Thompson does his job exceedingly well, consistently meeting a very high standard.

Thompson is a conference planner, space manager, and logistical support expert *par excellence.* He plans and supports all manner of conferences and meetings at the Virginia Square Seidman Center and the Student Residence Center.

Securing the right space for the right group at the right time sometimes calls for the mental agility of a chess player. Yet, for Thompson, this step is only the beginning. Logistical support, whether in the form of IT, security, or equipment, is also his bailiwick. Which means that once a meeting or conference starts, he stays on hand to make sure everything is running smoothly.

Invariably, given the number of conferences and meetings, large and small, brief and long, for which he is responsible, Thompson juggles constantly.

Thompson unquestionably has more than the requisite skills to plan and carry off conferences without a hitch. But what also sets him apart is his unfailing commitment to customer service.

Two projects in 2014 stand out. The RMS Resolution Planning Teams Project, consisting of nine separate teams tasked with reviewing various "living wills" of systemically important financial institutions over four months, called for extensive planning and very detailed IT and security support. Thompson arranged for nine contiguously located breakout rooms so the project teams could work independently but also share information when needed. He also ensured that the rooms were secured and had the proper IT wiring. Because from time to time the teams met in larger groups, he also responded to ad hoc requests for additional space. Thompson's careful planning, attention to detail, and support throughout the project were critical to the initiative's success.

A second project, involving user testing of software, required reserving classrooms and breakout rooms on a weekly basis. Thompson moved other groups from previously reserved space to accommodate the software groups, and so avoided having to relocate multiple laptops, printers, and cables each week.

With these and other projects in 2014, Thompson set the stage for successful conferences, meetings, and training. His exemplary performance makes him the fitting recipient of the first FDIC Support Services Award.

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Bank Research Conference Highlights Post-Crisis Issues

Chairman Martin Gruenberg makes an observation while delivering the luncheon address.

By Claire Brennecke

Division of Insurance and Research

Key post-crisis issues took center stage at the 15th Annual Bank Research Conference held September 17-18 at the Virginia Square Main Auditorium. The conference, jointly sponsored by the FDIC Center for Financial Research and the *Journal of Financial Services Research*, provides a forum for authors of groundbreaking financial research to present their papers for evaluation and discussion and for speakers to address timely subjects. As a focal point for the discussions, the theme for this year's conference was "Deleveraging After the Crisis: What is Enough? What is Too Much?"

Competition to present papers at the conference was keen, with a total of 90 submissions received and 16 papers presented. The conference drew 120 attendees from academia, financial regulatory agencies, trade groups, and consulting firms.

Professor Andrew Metrick from Yale University opened the conference with a keynote address that challenged researchers to examine more closely the costs and benefits of bank capital regulation in order to make concrete recommendations to regulators. For costs of stricter capital regulation, Metrick highlighted the potential for lower economic growth from an increase in the cost of borrowing. On the other hand, stricter capital requirements for banks could lower the chance or expected cost of a financial crisis and could lead to a generally more stable financial system. While many papers presented at the conference directly addressed some of these questions, Metrick pointed out several areas in which there is still room for more research.

While the keynote address focused on how regulation might reduce the chance of a bank failure, FDIC Chairman Martin Gruenberg discussed the other side of regulation: the orderly failure of systemically important financial institutions without cost to taxpayers. Chairman Gruenberg outlined the progress the FDIC has made in implementing both the new living will authority and the orderly liquidation authority under the Dodd-Frank Act.

Bank Capital

The first session featured three empirical papers on the diverse impacts of bank capitalization. The first paper uses bank-specific and time-varying capital requirements for banks in the United Kingdom to estimate the impact of tightening capital requirements on loan supply to small and medium enterprises. The authors find large negative effects on the volume of lending, but the effects fade with increases in the length of the relationship between the business and lender, suggesting that only new businesses are credit constrained by increases in bank capital requirements. The second paper uses German administrative worker data to estimate effects on workers from changes in the availability of capital due to the recent U.S. financial crisis. The research shows that in regions of Germany where bank capital fell because of losses on U.S. mortgage-backed securities, workers suffered persistent income losses and increases in unemployment spells. This result was largely driven by reduced hiring rates and concentrated among workers with less education, experience, and skills training. Finally, the third paper examines the use of incomplete consolidation of subsidiaries by bank holding companies as a way to circumvent capital regulations and engage in excessive risk tasking. The authors find that after accounting for the capitalization of all bank holding company subsidiaries, the effective capital ratios of many U.S. bank holding companies are lower than the number reported under standard regulations. This undercapitalization implies the existence of greater risk in capital markets than otherwise stated.

Macroprudential Regulation

The second session featured three theoretical papers examining the effects of policies designed to mitigate externalities in lending markets. The first paper builds a general equilibrium model in which households reduce their debts, causing a fall in aggregate product demand and negative impacts on the rest of the economy. The authors show that macroprudential policies such as debt limits or insurance subsidies can improve the economy by removing these externalities. The second paper uses a dynamic general equilibrium model to study the impact of minimum liquidity regulations on banks. The results demonstrate that imposing liquidity constraints on banks reduces the equilibrium amount of loans and economy-wide output and that this effect can be lessened by increasing the supply of safe assets such as U.S. Treasury Bonds. The third paper offers a game theoretic model of banks and nonbanks that compete for investor deposits and loans. As corporate tax rates change, institutions alter their lending and deposit-seeking behavior in ways that mimic the development of banking in the U.S. from the early 1800s to today.

Systemic Risk I

The third session addressed the problem of systemic risk originating from the financial sector. The first paper studied the impact of covered bonds, creating a theoretical model to study the macroeconomic tradeoffs of secured and unsecured banks' assets. Covered bonds, a form of senior secured debt, have been a stable source of funding in Europe for centuries and recently considered in the United States. While covered bonds allow banks to raise more money, they also concentrate more risk on unsecured debtholders. The authors also find that in an environment with deposit guarantees, corporations issue more secured debt than is socially optimal. The second paper investigated the role played by capital in systemic risk in the banking sector. While higher capital can act as a buffer and substitute for monitoring, it also can create moral hazard and agency problems. Using a panel of 1,200 banks in 50 countries over 17 years and 3 measures of systemic risk, the authors find a consistent reduction of systemic risk among banks with higher capital, with the effect weakening with bank size. However, different categories of capital have differential effects on the level of financial instability.


An audience member asks a question.

Systemic Risk II

This session continued the identification and analysis of sources of systemic risk. The first paper looked at loan-level data from a community bank in India that experienced two runs. It survived the first but rightly closed after the second. The paper finds that bank solvency can predict whether certain types of depositors are likely to run, and more generally shows how bank fragility depends on its depositor base. Uninsured depositors and depositors with loan linkages are more likely than other depositors to run only if the bank is truly insolvent. The second paper creates a model in which bank networks are formed endogenously. It shows that under a local contingency friction, network composition is distorted from the social optimum in two ways. First, there are too many links between healthy and unhealthy banks. Second, there are too few between healthy banks. The local contingency friction prevents firms from contracting on banks' other network links.

Chairman Gruenberg outlined the progress the FDIC has made in implementing

both the new living will authority and the orderly liquidation authority under the Dodd-Frank Act.

Lending

The fifth session presented three papers looking at small-business lending and consumer-saving behavior. The first looked at the closure of bank branches induced by mergers and their effects on small-business lending at a census-tract level. Difference-in-difference estimation results found a practically significant and persistent 17 percent drop in business lending following the closure of a bank branch, suggesting the loss of a branch implied the loss of valuable relationships and information about borrowers that new entrants were unable to quickly replace. The second paper studies the effects of the repeal of interstate banking laws on consumer investing behavior. They find that the increase in access to credit, primarily through access to credit cards that were now available from out-of-state banks, reduced the amount of precautionary savings consumers felt the need to keep. In turn, consumers turned to brokerage accounts and were able to increase stock ownership and long-term wealth. Finally, the third paper looked at the special role played by small banks in alleviating small-business credit constraints in times of crisis. Their main findings confirm small-bank effectiveness in alleviating credit constraint among small businesses geographically close to them, and show that this effect is greater during adverse financial conditions, that the effect has not diminished over recent decades, and that small banks do not credit ration borrowers like large banks do during financial downturns.

Bank-Dividend Policy

This session discussed the determinants of bank-dividend policy. Of particular concern was the stickiness of dividend policies after the onset of the financial crisis. The first paper found that this reluctance was likely due to either an underestimation of the severity of the crisis by bank managers or simply due to the power of signaling in dividends. They found no evidence that dividend payouts were a method of transferring wealth from debtholders to shareholders. The second paper similarly noted that shareholder reputation is an important concern and a reason for dividend stickiness. This concern is most prevalent during periods of crisis. The final paper was a theoretical model outlining the relationship between the signaling value of dividends and dividend regulation. It shows that if regulators can prevent the least healthy banks from paying dividends, then the value of a dividend signal becomes stronger, increasing the incentive for moderately capitalized banks to issue dividends. This distortion becomes stronger when the dispersion of capitalization is high.

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CU Tailors Strategic Exercises to Client Needs

FDIC will meet its next challenges head-on with the help of Corporate University's Randy Cheek.

By LaJuan Williams-Young

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The simulation exercises that Randy Cheek and his CU colleagues develop help divisions and offices explore solutions.

Randy Cheek, Corporate Readiness Simulation Program Manager, Corporate University (CU), School of Leadership, Strategic Simulation Program, has spent his career preparing for complex contingencies, including financial crises. While he's only been with the FDIC since July 2011, he has spent the past 31 years mastering a skill that will help the FDIC respond to the aftermath of the financial crisis and ready itself for potential future crises.

Who is Randy Cheek?

Cheek spent his early years with the Air Force, State Department, Department of Defense, National Defense University, and the Africa Center for Strategic Studies, working primarily in the area of gaming and strategic simulations. When asked how his military experience translates to the financial regulatory arena, Cheek said, "These situations are similar. It's all about problem-solving and being better prepared. Complex situations are universal and require quick adaptation to respond in an efficient manner, which describes the financial sector these days."

Cheek is an expert strategic simulations developer. What exactly does that mean? The simple answer is that he and his team in Corporate University develop simulation exercises to address complex challenges and crises, and assist participants with solving those problems using financial and human resources in the most efficient manner possible.

What makes Cheeks's team unique is their ability to customize strategic simulations from the most complex problem to the most basic. Cheek's specialized skill set has taken him around the world working with some of the most complex issues. For example, Cheek participated in an African Security Resources Seminar. He developed a large-scale exercise used during a five-day seminar in Uganda, Africa, which included participants from five East African countries (Tanzania, Uganda, Rwanda, Somalia, and Djibouti) and the United States.

CU's Strategic Simulations Program

The FDIC tapped into Cheek's experience and talents to manage the strategic simulation program. Corporate University will customize strategic simulations to help FDIC better address operational and regulatory changes in the future. This program can benefit internal business units as managers develop their objectives to support the FDIC as it interacts, nationally and globally, with its stakeholders.

Cheek made the point that as the FDIC carries out its new responsibilities under Dodd-Frank, CU can help managers anticipate procedural implications and explore complicated issues they may not otherwise anticipate in a risk-free environment. "One of the things we found out in the 2008 crisis is that we had to ramp up very quickly. So to prepare for the scope of any situation, we should anticipate the response, and know the strengths and weaknesses of our response," he said.

Corporate University wants to engage divisions and offices interested in exploring comprehensive solutions to any problem or issue, through development of a focused simulation event or series of events designed to meet specific business needs. For example, the Division of Administration (DOA) collaborated with Corporate University on a simulation exercise to test emergency response and evacuation procedures for the Virginia Square classroom complex. As a result, DOA and CU were able to identify and address critical issues *before* an emergency situation occurred.

CU also wants FDIC course participants to benefit from strategic exercises. Recently, Corporate University faculty, Annette Guadalupe and Dr. Catherine Hand, revamped one of Corporate University's existing leadership core courses, *Essentials of Team Leadership*, to include a simulation exercise designed to engage the learner in practical application of the curriculum in a compressed time frame. The simulation, designed by Cheek, Kim Auguste, and Lori McMaster, received positive feedback from class participants, with several indicating that the knowledge gained was immediately useful in their jobs and would improve overall job performance.

For their roles in redesigning the course curriculum, the team members received a Star Award. For Cheek, the award was a nice surprise, but it was secondary to the satisfaction of knowing that FDIC staff will be better prepared to meet and respond to challenges head-on.

"We would like to use these techniques, learning tools, and experiential tools to help FDIC divisions and offices better plan for the future, test their policies and procedures, and solve some of their problems," Cheek said.

Corporate University Wants to Hear From You
Corporate University's Strategic Simulations Program is waiting to hear from you. They will meet with you and devise a proposal to meet your specific needs.

Let them help you address your immediate problems, and plan for the challenges that we certainly will face in the future. The Strategic Simulations Team can be contacted at (703) 516-1219.

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Technical Assistance Event Draws Minority- and Women-Owned Businesses

By Velda Fludd

Office of Minority and Women Inclusion

Representatives of the eight OMWI agencies gather at the first interagency OMWI technical assistance event, from left: Stuart Ishimaru, Director, OMWI, Consumer Financial Protection Bureau; Monica Hughes Davy, Director, OMWI, National Credit Union Administration; Melodee Brooks, Senior Deputy Director, OMWI, FDIC; Sheila Clark, Director, OMWI, Federal Reserve Board; Joyce Cofield, Director, OMWI, Office of the Comptroller of the Currency; Eric Howard, Deputy Director, OMWI, Federal Housing Finance Agency; Segundo Pereira, Director, OMWI, FDIC; Lorraine Cole, Director, OMWI, U.S. Department of the Treasury; and Pamela Gibbs, Director, OMWI, Securities and Exchange Commission.

Landing a federal contract begins with learning to navigate the federal procurement process. Recently, the FDIC joined with seven other federal government agencies to host a technical assistance event for businesses owned by minorities and women. Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act designates the eight agencies as Office of Minority and Women Inclusion (OMWI) agencies. The Act requires that the agencies provide technical assistance to minority- and women-owned businesses (MWOBs) in order to ensure the fair participation of MWOBs in federal government procurement.

Representatives of 344 MWOBs attended the daylong event, which featured keynote speakers, panel discussions, and technical assistance sessions. “The goal was to promote networking and provide meaningful information that would help MWOBs develop their federal contracting activities,” said Victor Christiansen, FDIC OMWI Chief of the Minority and Women Business Branch. Christiansen’s branch was one of the event’s prime organizers.

The agencies also partnered with the Northern Virginia Procurement Technical Assistance Program (PTAP), a resource for businesses pursuing government contracts. PTAP provided logistical support and marketing for the event, and PTAP personnel helped MWOB participants identify contracting opportunities and prepare proposals.

OMWI agency representatives were also available to respond to questions and share information on upcoming business opportunities and programs.

In addition to the FDIC, fellow sponsoring agencies included the Board of Governors of the Federal Reserve System, the Department of the Treasury, the Office of the Comptroller of the Currency, the National Credit Union Administration, the Consumer Financial Protection Bureau, the Securities and Exchange Commission, and the Federal Housing Finance Agency.

Keynote speaker Alejandra Castillo, Director of the Minority Business Development Agency, U.S. Department of Commerce, discussed the critical roles MWOBs play in their communities. An OMWI Directors panel focused on doing business with each of the respective agencies. Technical assistance sessions were offered concurrently: Government Contracting: Debunking the Myths; Federal Proposal Writing 101; and Competitive Intelligence for Government Contractors. Margot Dorfman, CEO and Co-Founder of the U.S. Women’s Chamber of Commerce, was the luncheon speaker.

During a panel discussion entitled “Prime Time: Successful Collaboration,” representatives of major national contractors offered guidance on businesses collaborating to pursue federal contracting opportunities. Throughout the day, the attendees had ample opportunities to network with exhibitors and other participants.

Afterward, Director Pereira commented on the event. “I was very pleased with the outcome of this first OMWI Interagency Technical Assistance event, which provided an opportunity for MWOB representatives to network, learn, and exchange information,” he said. “Also, I was very impressed with the camaraderie among the OMWI agencies in planning, organizing, and co-hosting this event.” Director Pereira added that the agencies plan to host similar events in the future.

Photos from l to r: SEC OMWI Director Pamela Gibbs comments during the Directors panel discussion. FDIC OMWI Director Segundo Pereira, far right, and NCUA OMWI Director Monica Hughes Davy, second from right, during one of the event's many networking opportunities. MWOB executives and vendors get to know each other during a networking session.

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Transitions

Lauren S. Hertz was recently selected as Assistant Regional Director (Temp) for the New York Regional Office. Most recently, she was Case Manager in the New York Regional Office, a position she held since joining the FDIC in 2011 and in which she oversaw a portfolio of about 38 institutions.

Hertz began her career in 1990 as a bank examiner with the Office of Thrift Supervision. She was promoted in 1998 to Senior Applications Analyst and in 2008 to Executive Assistant to the OTS Northeast Regional Director. In these roles, she gained considerable experience in bank examination, applications, and regional operations.

In 2014, Hertz served as Special Assistant to the RMS Director, gaining exposure to RMS operations at the highest levels. She serves as a Corporate Recruiter and is a recipient of the Chairman's Excellence Award for her work on the Community Banking Initiative. She also co-wrote and presented a banking industry call on corporate governance.

Hertz received a bachelor's degree in economics from Rutgers University.

Frank R. Hughes and Phil Dekker

Frank R. Hughes was recently selected as Assistant Regional Director for the New York Regional Office. Previously, he was Assistant Regional Director (Temp) for the New York Regional Office; in this position, he was responsible for the supervision of FDIC-insured banks and thrifts in Maryland, Delaware, and Washington, D.C.

Hughes began his FDIC career in 1989 as an examiner in the Baton Rouge, Louisiana, Field Office. He subsequently held the positions of Case Manager, Supervisory Examiner, Senior Capital Markets Specialist, and Senior Examination Specialist in the Kansas City Region.

In addition to his tenure with the FDIC, Hughes served as President and CEO of Lawson Bank, Lawson, Missouri, and held senior examiner positions with the Office of Thrift Supervision and Federal Housing Finance Board.

Hughes helped develop and present the FDIC outreach videos and presentations for Basel III and interest rate risk, for which he received the Chairman's Excellence Award.

He received a B.S. in finance from Arizona State University. He is also a Chartered Financial Analyst and a graduate of the Colorado Graduate School of Banking and the USDA Executive Potential Program.

Jessica A. Kaemingk was recently selected as Assistant Regional Director for the New York Regional Office. Most recently, she was Special Assistant to the Regional Director in the Kansas City Region.

Kaemingk began her FDIC career in 2001 as an examiner in Sioux Falls, South Dakota, where she conducted numerous examinations of community and regional banks, including problem institutions and subprime credit card and payday lenders. In 2009, she was promoted to Case Manager in the Kansas City Region. In this position, she managed a portfolio of about 50 banks, including the region's largest state nonmember bank; she initiated and implemented a supervisory relationship with the bank's foreign-based owner.

In 2014, Kaemingk also gained exposure to RMS operations as Special Assistant to the RMS Director. She has served several details as Assistant Regional Director and RMAS Review Examiner. She is also an Examination Management School instructor for Corporate University and a 2013 recipient of the Chairman's Excellence Award.

Kaemingk graduated *magna cum laude* from Northwestern College, Orange City, Iowa, and with Honors from the Graduate School of Banking Colorado.

When **Phil Dekker** moved to Portland, Oregon, from the Midwest in November 1979 to join the FDIC, he knew he had arrived in a good place. That initial hunch proved to be right, because Dekker, who retired at the end of August after a more-than-35-year FDIC career, stayed with the Portland Field Office for 30 years as a risk management examiner and five years as a work-in-place case manager for the San Francisco Region.

Dekker said that he enjoyed his travels as an examiner throughout Oregon and to various locations in California, Alaska, and even the Midwest. "I saw some pretty neat things," he said. After 30 years on the road, however, Dekker was ready for a change and went on to serve as a case manager, keeping Portland as his home base and spending time each month in San Francisco. He credits his supervisor in the San Francisco Regional Office, Assistant Regional Director Paul Worthing, with helping to make this arrangement possible. "At first I had some trepidations about giving up my life as an examiner, because I often found that I became restless after spending a week in the field office," he said. But those reservations quickly disappeared as Dekker found that he liked his work as a case manager and appreciated being able to stay in Portland. "It was a great opportunity, and this work was just as rewarding as my experiences as an examiner," he said.

Paul Hornberger, Portland Field Office Supervisor, said of Dekker: "I met Phil on my first day in the Portland Office in 1996, and over the years we established a great working relationship. We often spent our lunch breaks on a two-mile walk around our office complex shooting the breeze about the topics of the day and work. During those walks, Phil provided great insights on work and life. During his time with the FDIC, he was always technically savvy, fair, honest, thrifty, and witty: all great traits for an FDIC employee."

With his FDIC career having reached a satisfying conclusion, Dekker looks forward to putting an interesting entrepreneurial idea into action. His wife, also recently retired, is a talented baker and coffee aficionado, and although Dekker is not a coffee drinker, he has been a model train buff since childhood. The couple plans to open a combination coffee shop/model train store in a location they have already selected across the street from a branch of the library. "We hope that people will come from the library to get a cup of coffee and let their kids watch the trains set out on a table in the corner," Dekker said. Because Portland is home to many small independent coffee shops, Dekker and his wife are optimistic about their prospects.

ARD Paul Worthing spoke favorably about Dekker's career and wished him well in retirement. "I became Phil's supervisor in 2010, when he joined the San Francisco Regional Office as a work-in-place case manager, right at the height of the banking crisis. Phil brought 30-plus years of examination experience to the Regional Office team and was able to immediately contribute to our supervisory efforts from his breadth and depth of banking and regulatory knowledge. As Phil's direct supervisor, I noticed very quickly that his commitment to the job and his willingness to fully investigate and understand any issue were unmatched. Phil left no 'rock unturned' as he worked through some extremely challenging and difficult examination findings and bank applications. He was well respected by examiners, field supervisors, Regional Office management, and Washington, D.C., staff. Phil was also well regarded by folks outside of the FDIC, including bankers, other regulators, bank consultants, and attorneys. Phil personified the FDIC's core values in everything he did. I truly enjoyed working with Phil, and will greatly miss his teamwork and attitude to the job. On the other hand, I'm looking forward to trying some coffee and checking out his model train collection when he and his wife open their new business near Portland. I wish Phil the best of luck and enjoyment in retirement."

Dekker has an added reason to feel grateful at this juncture. Years ago, when his wife became ill with cancer, Dekker became one of the first recipients of the FDIC's leave donation program. "I didn't even know that I was eligible, but my boss explained that the program also included family members," he said. His wife is in good health and his children, who were young at the time, are now in their twenties. Dekker said, "We are thankful for the program and all the people who donated leave when we needed it."

In the span of 39 years with the FDIC, **James Williams** often found himself in unfamiliar situations. For example, there was the six-month detail at Penn Square Bank in Oklahoma City in the early 1990s. Williams, then an assistant examiner, was tasked with selling "other assets," which included 35 bank cars, a mainframe computer, and the cash-surrender-value of a life insurance policy covering the Chairman of the Board. Although he had no sales experience, Williams set out to dispose of the assets. "Each officer of the bank had a car, including Lincoln, Cadillac, and Grand Prix models," he said. Williams arranged for an auction, which successfully disposed of the entire fleet.


James Williams

The computer was enormous by today's standards but the latest technology of its day. Brand new and still in the box, it was a key component of the bank's original plan to take its data processing in-house. Williams got on the phone, made dozens of calls, and sealed a deal.

He also called the Chairman of the Board hoping to sell him the insurance policy. "Local reporters were outside his house trying to get an interview," Williams said. "I couldn't believe it when he returned my call. Here I was, four years out of college, and I was talking with the Chairman of the Board of the largest bank to fail in the U.S. at that time."

Williams said that his examiner training helps explain his confidence in confronting new challenges. "Examiners learn early not to be intimidated by the unexpected," he said. "Every bank has a different set of variables, and you have to believe in your ability to adapt and search for the information you need in order to evaluate the bank's financial condition."

As an examiner in Florida for the first 15 years of his career, Williams took advantage of the many opportunities available to diversify. "I performed risk and compliance examinations, as well as electronic data processing and trust examinations," he said. And, as he experienced with Penn Square Bank, occasionally examiners were called upon to work in the liquidation area. When asked to serve a detail at First National Bank of Midland, Williams jumped in his car and drove for a couple of days. "I had never been to Texas," he said. A new batch of responsibilities awaited him there. "I really appreciated the experiences and challenges I had as an FDIC examiner," he said.

When he returned to examination work, first in the Jacksonville Field Office and later in Gainesville, Williams would occasionally receive job offers at the banks he examined. "Being a bank examiner was viewed as an excellent training ground for future bankers," he said. "Sometimes bankers would approach me with promises of higher status and more money." But Williams liked his job and the life that came with it. "I enjoyed the travel and not being confined to one office," he said. "As an examiner, you have your examiner family. You travel and eat dinner together. We were there for each other when cars broke down or when there was a medical emergency while on the road. We depended on each other a lot."

That chapter came to an end when Williams moved to the Orlando Field Office as a compliance field supervisor. "I had a family and children, and it was becoming difficult to stay on the road, because children grow up so fast and you miss a great deal," he said.

In 2003, Williams moved to Washington, D.C., for another new assignment: specializing in deposit insurance. "I responded to thousands of consumer and banker deposit insurance inquiries, conducted deposit insurance seminars for bankers, and represented the Corporation at banking conferences," he said. "Also, we dealt with the almost yearly revisions to deposit insurance literature."

Colleague Kate Spears said of Williams, "James' direct manner of responding to bankers and consumers and his quiet sense of humor made him a pleasure to work with. His gardening advice was a bonus!"

As his time at the FDIC drew to a close, Williams was looking forward to putting his Virginia house in order and moving to Raleigh, North Carolina, where he and his wife have purchased a lot and plan to build a house. "The area is not as crowded as the Washington, D.C., metropolitan area, and yet it has all the amenities," he said.

Raleigh is also home to quite a few lakes, including a lake located a half mile from his future home. "The lake is definitely one of the things that attracted us," he said. "It is large enough for boating and fishing and has a sand beach. I plan to do a lot of fishing there."

The lot is also large enough to accommodate Williams's love of gardening. "I will be able to expand my gardening activities and grow twice as many different things as I do now," he said. In other words, Williams will have variety and will be able to do new and different things in retirement, just as he did at the FDIC.

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