

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89135 / June 23, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-16837

In the Matter of

Trinity Capital Corporation,

Respondent.

ORDER ESTABLISHING
FAIR FUND

ADMINISTRATIVE PROCEEDING
File No. 3-16838

In the Matter of

William C. Enloe,

Respondent.

On September 28, 2015, the Commission issued separate, but related, settled cease-and-desist orders (collectively, the “Orders”) against Trinity Capital Corporation (“Trinity” or the “Respondent”)¹ and William C. Enloe (“Enloe”)² (collectively, the “Respondents”). The

¹ See Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities and Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order and Penalties, Securities Act Rel. No. 9930 (Sept. 28, 2015), (Admin. Proc. File No. 3-16837).

² See Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order and Penalties, Securities Act Rel. No. 9931 (Sept. 28, 2015), (Admin. Proc. File No. 3-16838).

proceedings resulted from Trinity, and its wholly-owned subsidiary, Los Alamos National Bank's (the "Bank"), failure to properly account for its loan portfolio during 2010, 2011, and the first two quarters of 2012, and failure to account properly for its other real estate owned in 2011. As a result of the conduct, Trinity violated Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 10b-5, 13a-1, 13a-13, and 12b-20 thereunder, as well as Section 17(a) of the Securities Act of 1933 ("Securities Act").

The Commission further found that Enloe, the Bank's CEO, violated the antifraud and other provisions of the federal securities laws by, among other things, causing the Bank to engage in false and misleading accounting that concealed the Bank's loan delinquencies and declining collateral. As a result of the conduct, Enloe violated Sections 17(a)(1) and (3) of the Securities Act and Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1, 13b2-2, and 13a-14 thereunder. Enloe also caused Trinity's violations of Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, and 13a-13 thereunder.

Trinity was ordered to pay a civil money penalty of \$1,500,000 and Enloe was ordered to pay a civil penalty of \$250,000. The Commission ordered the funds paid pursuant to the Orders be held in an account at the United States Treasury pending a decision whether the Commission, in its discretion, would seek to distribute the funds.

The Respondents have since paid the amounts ordered in their respective orders, which total \$1.75 million. The Commission staff has concluded that a distribution is feasible and appropriate.

The Division of Enforcement now recommends that a single Fair Fund be established, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act"), so that

the civil money penalties collected from the Respondents can be distributed for the benefit of the harmed investors.

Accordingly, IT IS HEREBY ORDERED that pursuant to Section 308(a) of the Sarbanes-Oxley Act, a single Fair Fund is established for the \$1.75 million in civil money penalties collected from the Respondents.

By the Commission.

Vanessa A. Countryman
Secretary