

**UNITED STATES OF AMERICA  
DEPARTMENT OF TREASURY  
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

_____ )	)
<b>ROBERT S. MORGAN,</b> )	)
<b>FORMER CHAIRMAN OF THE BOARD</b> )	)
<b>AND PRESIDENT</b> )	<b>AA-EC-2000-18</b>
<b>THE FIRST NATIONAL BANK &amp; TRUST OF PIPESTONE</b> )	)
<b>PIPESTONE, MINNESOTA, AND</b> )	)
_____ )	)
)	)
<b>THE FIRST NATIONAL BANK IN GARRETSON</b> )	<b>AA-EC-2000-19</b>
<b>GARRETSON, SOUTH DAKOTA</b> )	)
_____ )	)

**STIPULATION AND CONSENT ORDER**

WHEREAS, the Comptroller of the Currency of the United States of America (Comptroller) has initiated proceedings against Robert S. Morgan (Respondent), former chairman of the board and president of the First National Bank & Trust of Pipestone, Pipestone, Minnesota (Pipestone Bank), for the assessment of Civil Money Penalties pursuant to 12 U.S.C. ' 1818(i)(2) (as amended), through the issuance of a Notice of Assessment of a Civil Money Penalty, dated March 14, 2000 (Pipestone Notice);

WHEREAS, the Comptroller has initiated proceedings against Respondent, former chairman of the board of the First National Bank in Garretson, Garretson, South Dakota (Garretson Bank), for the assessment of Civil Money Penalties pursuant to 12 U.S.C. ' 1818(i)(2) (as amended), through the issuance of a Notice of Assessment of a Civil Money Penalty, dated March 14, 2000 (Garretson Notice);

WHEREAS, in the interest of cooperation and to avoid the costs associated with administrative and judicial proceedings with respect to the above-consolidated matters, the Comptroller and Respondent desire to enter into this Stipulation and Consent Order;

NOW, THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through his duly authorized representative, and Respondent, without Respondent admitting or denying any wrongdoing but admitting to the statements and conclusions in Article I below, that:

## **ARTICLE I**

### **JURISDICTION**

(1) At all times relevant to the charges detailed in the Pipestone Notice, Pipestone Bank was a national banking association, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. ' 1 et seq.

(2) At all times relevant to the charges detailed in the Pipestone Notice, Pipestone Bank was an "insured bank" and an "insured depository institution" as defined in 12 U.S.C. ' 1813(c) and within the meaning of 12 U.S.C. ' 1818(i)(2) (as amended).

(3) At all times relevant to the charges detailed in the Garretson Notice, Garretson Bank was a national banking association, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. ' 1 et seq.

(4) At all times relevant to the charges detailed in the Garretson Notice, Garretson Bank was an "insured bank" and an "insured depository institution" as defined in 12 U.S.C. ' 1813(c) and within the meaning of 12 U.S.C. ' 1818(i)(2) (as amended).

(5) Respondent was a director and officer at Pipestone Bank, and a director at

Garretson Bank, and therefore was an institution-affiliated party of Pipestone Bank and Garretson Bank, as that term is defined in 12 U.S.C. ' 1813(u), having served in such capacities within six years from the date hereof. See 12 U.S.C. § 1818(i)(3).

(6) The Office of the Comptroller of the Currency (OCC) is the "appropriate Federal banking agency" as defined in 12 U.S.C. ' 1813(q) and for the purposes of 12 U.S.C. ' 1818(i)(2) (as amended). Therefore, Respondent is subject to the authority of the Comptroller, or his duly authorized representative, to initiate and maintain civil money penalty proceedings against Respondent pursuant to 12 U.S.C. § 1818(i)(2) as amended.

## **ARTICLE II**

### **CIVIL MONEY PENALTY ORDER**

(1) Without admitting or denying any wrongdoing, Respondent hereby consents to the payment of a civil money penalty in the amount of thirty-five thousand dollars (\$35,000.00), which shall be due within 10 calendar days of the execution of this Order by the Comptroller or his designated representative. Respondent shall make payment in full by cashier-s or certified check made payable to the Treasurer of the United States, which payment shall be delivered to the Director of the Enforcement and Compliance Division, Office of the Comptroller of the Currency, 250 E Street, S.W., Mail Stop: 8-10, Washington, D.C. 20219. The docket numbers of this consolidated action should be entered on the check.

(2) In any bankruptcy proceeding in which it is or may be contended that Respondent-s obligation to pay a civil money penalty pursuant to this Order is subject to discharge, Respondent will in no manner contest the Comptroller-s assertion pursuant to 11 U.S.C. ' 523(a)(7) or otherwise, that the obligation in the Order is not dischargeable in

bankruptcy.

### **ARTICLE III**

#### **COOPERATION OF RESPONDENT**

(1) Respondent agrees that, at the request of the OCC, on reasonable notice and without service of a subpoena, he will appear voluntarily and testify truthfully at any deposition and/or judicial or administrative proceeding, related to the matters addressed in the above-entitled consolidated proceeding, or in any subsequent proceedings brought in connection with the affairs of Pipestone and/or Garretson Banks.

### **ARTICLE IV**

#### **ENFORCEABILITY OF ORDER**

(1) This Stipulation and Consent Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. ' ' 1818(h) and/or (i)(2) (as amended).

### **ARTICLE V**

#### **RESPONDENT'S WAIVERS**

- (1) By executing this Stipulation and Consent Order, Respondent waives:
- (a) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. ' ' 1818(i)(2) (as amended) and 12 C.F.R. Part 19;
  - (b) all rights to seek judicial review of this Order;
  - (c) all rights in any way to contest the validity of this Order;
  - (d) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement

matter and/or the Order, whether arising under common law or under the terms of any statute, including but not limited to, the Equal Access to Justice Act, 5 U.S.C. ' 504 and 28 U.S.C. ' 2412; and

- (e) all rights to assert a "double jeopardy" claim in the event of a criminal prosecution brought by the Department of Justice for the acts which form the basis for issuance of this Order.

(2) Respondent shall not cause, participate in or authorize the Bank (or any subsidiary or affiliate thereof) to incur, directly or indirectly, any expense for the payment of the civil money penalty ordered herein, or for any legal (or other professional) expense relative to the negotiation and issuance of this Order; and consistent with 12 C.F.R. ' 7.2014, Respondent shall not, directly or indirectly, obtain or accept any indemnification (or other reimbursement) from the Bank (or any subsidiary or affiliate thereof) with respect to such amount.

(3) Respondent acknowledges that he has read and understands the premises and obligations of this Stipulation and Consent Order and declares that no separate promise or inducement of any kind has been made by the Comptroller, his agents or employees to cause or induce the Respondent to agree to consent to the issuance of this Order and/or to execute this Stipulation.

## **ARTICLE VI**

### **RELEASE OF CLAIMS**

(1) It is hereby agreed that the provisions of this Stipulation and Consent Order constitute a settlement of the Civil Money Penalty actions as charged in the Pipestone and

Garretson Notices. The Comptroller agrees not to institute additional or further proceedings for the specific allegations contained in the Notices, unless such acts reoccur.

(2) It is further agreed that the provisions of this Stipulation and Consent Order shall not be construed as an adjudication on the merits and, except as set forth above, shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting the Respondent regarding any matters not subject to the release set forth in Paragraph 1 above.

(3) Respondent understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Stipulation and Consent Order, and that nothing herein constitutes, nor shall Respondent contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

**IN TESTIMONY WHEREOF**, the undersigned have hereunto set their hands.

/s/

08-15-00

\_\_\_\_\_  
Leann G. Britton  
Senior Deputy Comptroller  
for Bank Supervision Operations

\_\_\_\_\_  
Date

/s/

08-11-2000

\_\_\_\_\_  
Robert S. Morgan  
Respondent

\_\_\_\_\_  
Date

NOTARY

Subscribed and sworn to before me personally appeared, Robert S. Morgan on the 11th, day of August, 2000.

My Commission Expires: Jan. 31, 2005

/s/

\_\_\_\_\_  
Notary Public