

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

In the Matter of:)	
Vaughan Haraldson)	
Vice President)	AA-EC-05-58
The First National Bank of Rembrandt)	
Rembrandt, Iowa)	

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against Vaughn Haraldson (“Respondent”) pursuant to 12 U.S.C. § 1818(b) (as amended) for engaging in unsafe and unsound banking practices when he failed to follow management’s directive regarding a material loan relationship;

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, the Respondent, without admitting or denying any wrongdoing, desires to enter into this Consent Order (“Order”) issued pursuant to 12 U.S.C. § 1818(b) (as amended);

NOW, THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through his duly authorized representative, and Respondent that:

Article I

JURISDICTION

(1) The First National Bank of Rembrandt, Rembrandt, Iowa (“Bank”) is 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. Accordingly, the Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) Respondent is a Vice President of the Bank and is an “institution-affiliated party” of the Bank as that term is defined in 12 U.S.C. § 1813(u) (hereinafter “institution-affiliated party”), having served in such capacity within six (6) years from the date hereof (see 12 U.S.C. § 1818(i)(3)).

(3) Pursuant to 12 U.S.C. § 1813(q), the Comptroller is the “appropriate Federal banking agency” to maintain an enforcement proceeding against institution-affiliated parties. Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain this cease and desist proceeding against him pursuant to 12 U.S.C. § 1818(b) (as amended).

Article II

PERSONAL CEASE AND DESIST ORDER

(1) Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that, whenever after January 1, 2006, Respondent is employed by an insured depository institution (hereinafter “financial institution”) or becomes an institution-affiliated party, Respondent shall:

- (a) provide the Chief Executive Officer and the Board of Directors of such institution with a copy of this Order prior to accepting any position that would cause him to become an institution-affiliated party;
- (b) not participate in, or seek to influence, any lending activity, including, but not limited to, soliciting, loan document preparation, underwriting, approval, or ongoing credit management for any extension of credit, including extensions or renewals, made by any financial institution to which he is or may become affiliated;
- (c) at all times comply fully with all applicable laws and regulations of any applicable bank regulatory agency;
- (d) avoid engaging in any unsafe or unsound practices, as that term is used in Title 12 of the United States Code;

- (e) not breach the fiduciary duties of loyalty or care owed to any financial institution with which he is or may become affiliated and shall, at all times, avoid placing his own interests above those of the financial institution; and
- (f) adhere to the written policies and procedures, including the applicable conflicts of interest policy, of any financial institution with which he is or may become affiliated, or seek and receive written permission from appropriate authorized individuals to do otherwise.

(2) To comply with paragraph (1) of this Article, Respondent shall (among other things):

- (a) be diligent to ensure that – within the scope of his duties and influence at any financial institution – the books and records of the financial institution reflect the complete, true and accurate nature of all transactions to the extent that he is responsible for maintaining such books and records, or to the extent that he makes statements and representations that are relied upon for recordation in such books and records; and

- (b) be diligent to ensure that – within the scope of his duties and influence at any financial institution - adequate and appropriate controls, to the extent that he is responsible for developing and maintaining such controls, are in place and that any employees reporting to him are adequately trained and supervised.

(3) If, at any time, Respondent is uncertain whether a situation implicates paragraphs (1) or (2) of this Article, or if Respondent is uncertain about his duties arising from such paragraphs, he shall obtain and abide by the written advice of counsel regarding his duties and responsibilities with respect to the matter.

Article III

WAIVERS

- (1) By executing this Order, Respondent waives:
 - (a) the right to the issuance of Notices under 12 U.S.C. § 1818(b);
 - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(b) and 12 C.F.R. Part 19;
 - (c) all rights to seek judicial review of this Order;
 - (d) all rights in any way to contest the validity of this Order; and
 - (e) 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 or this 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.

(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 any legal (or other professional) expense relative to the negotiation and issuance of this Order except as permitted by 12 C.F.R. § 7.2014 and Part 359; and 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 amounts except as permitted by 12 C.F.R. § 7.2014 and Part 359.

(3) Respondent acknowledges that he has read and understands the premises and obligations of this 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 Order.

(4) It is hereby agreed that the provisions of this Order constitute a settlement of the cease and desist proceeding against him pursuant to 12 U.S.C. § 1818(b) contemplated by the Comptroller. The Comptroller agrees not to institute proceedings for the specific acts, omissions, or violations referenced in the first whereas clause, hereof, unless such acts, omissions, or violations reoccur.

(5) It is further agreed that the provisions of this Order shall not be construed as an adjudication on the merits and, except as set forth above in paragraph (4), shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting the Respondent if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(6) Respondent understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this 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/

Troy L. Thornton
Assistant Deputy Comptroller
Omaha North Field Office

8-29-05

Date

/s/

Vaughan Haraldson

8-29-05

Date