#N11-001

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

In the Matter of:	)	
	)	
Joanne Medlock	)	
Former President, Chief Executive Officer, and	)	AA-EC-11-53
Chairperson of the Board of Directors	)	
The First National Bank of Valentine	)	
Valentine, NE	)	

NOTICE OF INTENTION TO PROHIBIT FURTHER PARTICIPATION
NOTICE OF ASSESSMENT OF A CIVIL MONEY PENALTY

On a date as determined by the Administrative Law Judge, a hearing will commence in Valentine, Nebraska, pursuant to 12 U.S.C. § 1818(e) and (i) concerning the charges set forth herein to determine whether an Order should be issued against Joanne Medlock ("Respondent"), former President, Chief Executive Officer, and Chairperson of the Board of Directors ("Board") of The First National Bank of Valentine, Valentine, NE ("Bank"), prohibiting Respondent from participating in any manner in the conduct of the affairs of any federally insured depository institution or any other institution, credit union, agency, or entity referred to in 12 U.S.C. § 1818(e) and requiring Respondent to pay a civil money penalty.

After taking into account the financial resources and good faith of Respondent, the gravity of the violations, the history of previous violations, and such other matters as justice may require pursuant to 12 U.S.C. § 1818(i)(2)(G), and after soliciting and giving full consideration to Respondent's view with respect to these considerations, the Comptroller of the Currency ("Comptroller") hereby assesses a civil money penalty in the amount of fifty thousand dollars ($50,000) against Respondent. This penalty is payable to the Treasurer of the United States.

The hearing afforded Respondent shall be open to the public unless the Comptroller, in his discretion, determines that holding an open hearing would be contrary to the public interest.

In support of this Notice of Intention to Prohibit Further Participation and Notice of Assessment of a Civil Money Penalty ("Notice"), the Comptroller charges the following:

Article I

Jurisdiction

At all times relevant to the charges set forth below:

(1) The 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) The Bank was an "insured depository institution" as defined in 12 U.S.C. § 1813(c)(2) and within the meaning of 12 U.S.C. § 1818(e) and (i).

(3) The Comptroller is the "appropriate Federal banking agency" within the meaning of 12 U.S.C. § 1813(q)(1) and for purposes of 12 U.S.C. § 1818(e) and (i) to initiate and maintain an enforcement proceeding against an institution-affiliated party.

(4) Respondent served as President, Chief Executive Officer ("CEO"), and Chairperson of the Board ("Chairperson") of the Bank and is an "institution-affiliated party" of the Bank as that term is defined in 12 U.S.C. § 1813(u), having served in one or more of these capacities within six (6) years from the date hereof (*see* 12 U.S.C. § 1818(i)(3)). Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain an enforcement proceeding against Respondent pursuant to 12 U.S.C. § 1818.

Article II

Background

(5) In each of her capacities as President, CEO, and Chairperson, Respondent had an obligation to comply with all applicable laws and regulations and to carry out her duties and responsibilities in a safe and sound manner. In addition, Respondent owed fiduciary duties of care and loyalty to the Bank, which included, but were not limited to, an obligation to avoid conflicts of interest and to place the interests of the Bank ahead of her own personal interests at all times.

Article III

Respondent's Release of Collateral That Secured a Bank Loan and Respondent's Receipt of a Portion of the Funds That Had Served as Collateral

(6) This Article repeats and realleges all previous Articles in this Notice.

(7) As discussed in this Article, Respondent engaged in unsafe or unsound practices and breached her fiduciary duty to the Bank through her involvement in the release of collateral that secured a Bank loan and her receipt of a portion of the funds that had served as collateral.

(8) On or about May 17, 2005 the Bank issued a $100,000 loan ("$100,000 Loan") to the Person A Revocable Trust ("Trust"). Pursuant to a note, disclosure, and security agreement, dated May 17, 2005 and signed by Person A and a representative of the Bank, the $100,000 Loan was due on May 17, 2006 and secured by a money market account ("MMA") and four certificates of deposit (collectively, the "CDs") in the approximate amounts of $14,700 ("$14,700 CD"), $27,000 ("$27,000 CD"), $35,300 ("$35,300 CD"), and $29,500 ("$29,500 CD"), all in the name of the Trust. The security for the $100,000 Loan was also set forth in a

security agreement dated May 17, 2005 and signed by Person A and a representative of the Bank.

(9) Person A is Respondent's mother. In or about November 2005, Respondent was given power of attorney to manage Person A's affairs including, but not limited to, Person A's finances. Respondent had a familial relationship with Person A and had been managing Person A's affairs prior to receiving power of attorney.

(10) On or about May 17, 2006, May 16, 2007, and May 16, 2008, the Bank extended the due dates on the $100,000 Loan for one-year terms. Agreements for the extensions reflected that the property that served as collateral for the $100,000 Loan when it was originated would continue to serve as collateral. Respondent was aware of the extensions and personally executed the May 2008 extension document on Person A's behalf, pursuant to Respondent's power of attorney.

(11) While the $100,000 Loan was outstanding, Respondent was aware of and approved of the withdrawal of funds from the MMA that secured the $100,000 Loan and the transfer of those funds to a checking account in the name of the Trust ("Trust Checking Account").

(12) While the $100,000 Loan was outstanding, Respondent was aware of and approved of the withdrawal of funds from the CDs that secured the $100,000 Loan and the ultimate transfer of those funds to the Trust Checking Account and Respondent's personal checking account at the Bank.

(13) Neither the Trust Checking Account nor Respondent's personal checking account at the Bank served as collateral for the $100,000 Loan.

(14) Respondent received approximately $64,500 of the funds that were withdrawn from the CDs that served as collateral for the $100,000 Loan. Specifically:

(a) On or about November 7, 2007, all the funds in the $35,300 CD were withdrawn and deposited into another CD. Funds were withdrawn from the second CD on or about November 7, 2008 and deposited into the Trust Checking Account. On or about that same day, Respondent, using her power of attorney for Person A, wrote and signed a check to herself, notated as a loan, for $35,000 on the Trust Checking Account; and

(b) On or about January 7, 2009, all the funds in the $29,500 CD were withdrawn and deposited into the Trust Checking Account. One day later, on or about January 8, 2009, $29,500 was transferred from the Trust Checking Account to Respondent's personal checking account, which covered an overdraft in Respondent's account.

(15) On or about October 17, 2007, all the funds in the $14,700 CD were withdrawn and deposited into the MMA and later transferred to the Trust Checking Account.

(16) On or about November 1, 2007, all the funds in the $27,000 CD were withdrawn and deposited into another CD. Funds were withdrawn from the second CD on or about November 3, 2008 and deposited into the Trust Checking Account.

(17) The release of the collateral for the $100,000 Loan was not properly approved.

(18) There was nothing in the Bank's files that indicated the loan officer was aware of or approved the release of collateral for the $100,000 Loan.

(19) The $100,000 Loan was not paid by its ultimate due date in or about May 2009. The Bank could not use the collateral to make itself whole because the collateral MMA and CDs had been depleted of funds. In or about May 2009 the Bank charged off the $100,000 Loan and suffered a total loss of approximately $110,000.

(20) The Bank's loan documents concerning the $100,000 Loan were inaccurate because Respondent allowed them to continue to reflect that the MMA and the CDs served as collateral for the $100,000 Loan when, in fact, the MMA and the CDs were being, or had been, depleted of funds.

(21) By reason of the foregoing conduct described in this Article, Respondent engaged in unsafe or unsound practices and breached her fiduciary duty to the Bank. As a result, Respondent received financial gain in the amount of approximately $64,500 and the Bank suffered loss in the amount of approximately $110,000. Further, Respondent's unsafe or unsound practices and breaches of fiduciary duty involved personal dishonesty, demonstrated a willful and continuing disregard for the safety or soundness of the Bank, and were part of a pattern of misconduct.

(22) By reason of the foregoing conduct described in this Article, Respondent recklessly engaged in unsafe or unsound practices in conducting the affairs of the Bank. Respondent's approval of the withdrawal of funds from the MMA and CDs and their transfer to accounts that did not serve as loan collateral was given in disregard of, and evidenced a conscious indifference to, a known or obvious risk of substantial harm to the Bank.

Article IV

Respondent's Unlawful Draws From Another Borrower's Home Equity Lines of Credit

(23) This Article repeats and realleges all previous Articles in this Notice.

(24) As discussed in this Article, Respondent violated laws or regulations, engaged in unsafe or unsound practices, and breached her fiduciary duty to the Bank when she drew funds from another borrower's home equity lines of credit for her personal use.

(25) In or about 2008, the Bank issued two home equity lines of credit in the name of the Trust (each a "HELOC" and, collectively, the "HELOCs"). Each HELOC was evidenced by a HELOC agreement signed by Respondent, using her power of attorney for Person A, and a representative of the Bank.

(26) Respondent was not identified as a borrower in either HELOC agreement.

(27) The first HELOC was in the amount of $50,000 and issued on or about February 15, 2008. The second HELOC was in the amount of $120,000 and issued on or about July 11, 2008. In or about that same month, approximately $46,500 was drawn on the second HELOC to pay off the first HELOC, on which no further draws were made.

(28) Between approximately March 2008 and October 2008 Respondent made seven draws, totaling $55,000, on the HELOCs, and the funds were deposited into her account. The draws include:

(a) $20,000 on or about March 4, 2008;

(b) $2,000 on or about September 10, 2008;

(c) $10,000 on or about September 24, 2008;

(d) $5,000 on or about October 16, 2008;

(e) $10,000 on or about October 20, 2008;

(f) $5,000 on or about October 21, 2008; and

(g) $3,000 on or about October 22, 2008.

(29) A number of Respondent's draws on the HELOCs coincided with overdrafts in her account, and the draws were used to cover the overdrafts.

(30) Respondent did not formally disclose her HELOC draws to the Board.

(31) By making draws on the HELOCs for her own use, Respondent became a borrower on the HELOCs. Respondent was an undisclosed third party who received proceeds from a line of credit extended by the Bank to another borrower.

(32) During the time in which the HELOC draws were made, Respondent was an "executive officer" and an "insider" for purposes of 12 C.F.R. Part 215.

(33) During the time in which the HELOC draws were made, the Bank was a "member bank" for purposes of 12 C.F.R. Part 215.

(34) Twelve C.F.R. § 215.3(f) provides that "an extension of credit is considered made to an insider to the extent that the proceeds are transferred to the insider or are used for the tangible economic benefit of the insider." The HELOC draws were transferred to Respondent and they were used for her tangible economic benefit. Accordingly, Respondent's draws on the HELOCs constituted extensions of credit to her for purposes of 12 C.F.R. Part 215.

(35) Twelve C.F.R. § 215.5(d) states:

(a) Any extension of credit by a member bank to any of its executive officers shall be:

(i) Promptly reported to the member bank's board of directors;

(ii) In compliance with the requirements of § 215.4(a) of this part;

(iii) Preceded by the submission of a detailed current financial statement of the executive officer; and

(iv) Made subject to the condition in writing that the extension of credit will, at the option of the member bank, become due and payable at any time that the officer is indebted to any other bank or banks in an aggregate amount greater than the amount specified for a category of credit in paragraph (c) of this section.

(36) Respondent did not promptly report her receipt of any of the HELOC draws to the Board and none of her HELOC draws were preceded by the submission of a detailed financial statement, as required by 12 C.F.R. § 215.5(d). Accordingly, her receipt of the HELOC draws was not authorized under 12 C.F.R. § 215.5(d).

(37) Twelve C.F.R. § 215.6 prohibits an executive officer or director of a member bank from "knowingly receiv[ing] . . . from a member bank, directly or indirectly, any extension of credit not authorized under this part."

(38) Respondent knew of the requirements of 12 C.F.R. Part 215 when she received the HELOC draws.

(39) Respondent received the HELOC draws in violation of 12 C.F.R. § 215.6.

(40) The agreements for the HELOCs were inaccurate because Respondent allowed them to identify only the Trust as a borrower when Respondent was actually borrowing on the HELOCs herself.

(41) By reason of the foregoing conduct described in this Article, Respondent violated laws or regulations, engaged in unsafe or unsound practices, and breached her fiduciary duty to the Bank. As a result, Respondent received financial gain in the amount of approximately $55,000. Further, Respondent's violations, unsafe or unsound practices, and breaches of fiduciary duty involved personal dishonesty, demonstrated a willful and continuing disregard for the safety or soundness of the Bank, and were part of a pattern of misconduct.

(42) By reason of the foregoing conduct described in this Article, Respondent recklessly engaged in unsafe or unsound practices in conducting the affairs of the Bank. Respondent's drawing of funds on a line of credit in another borrower's name was done in disregard of, and evidenced a conscious indifference to, a known or obvious risk of substantial harm to the Bank.

Article V

The Bank's Unlawful Transfer of Funds to Its Holding Company

(43) This Article repeats and realleges all previous Articles in this Notice.

(44) As discussed in this Article, Respondent violated laws or regulations, engaged in unsafe or unsound practices, and breached her fiduciary duty to the Bank through her involvement in the unlawful transfer of $141,900 from the Bank to its holding company.

(45) The Bank's holding company was Valentine Bancorporation ("Holding Company").

(46) At all relevant times Respondent served as President and Treasurer of the Holding Company.

(47) At all relevant times Respondent had an ownership interest in the Holding Company.

(48) Between approximately January 2008 and February 2009, the Bank made twelve transfers, totaling $141,900, from its reserve account for taxes to the Holding Company's account at the Bank. Respondent was aware of and approved of the transfers of Bank funds to the Holding Company.

(49) The transfers were purportedly made pursuant to a 1993 tax-sharing agreement between the Bank and the Holding Company ("Tax-Sharing Agreement"). According to the Tax-Sharing Agreement, the Bank agreed "to transfer to [the Holding Company] on a quarterly basis an amount equal to the federal estimated payment required by the Internal Revenue Code had [the] Bank filed separate federal estimated tax payments. . . ."

(50) Because the Bank was not making a profit during the period in which the transfers were made, its estimated federal income tax obligation was $0. Accordingly, the Bank's transfer of $141,900 to the Holding Company was not required under the Tax-Sharing Agreement.

(51) The Tax-Sharing Agreement also provided that "[a]ny overpayment by [the] Bank of quarterly estimates or year-end liability shall be returned to [the] Bank within one day or applied to the next immediate quarterly payment at sole election of the [Holding Company]." Contrary to the terms of the Tax-Sharing Agreement, the Holding Company did not return any portion of the $141,900 transferred to it from the Bank, nor did the Holding Company apply any portion of the $141,900 to a next immediate quarterly payment.

(52) The Holding Company used the funds transferred to it from the Bank to pay various expenses, such as legal services provided to the Holding Company. On multiple

occasions, Respondent gave the invoices for legal services to the Bank's Cashier for payment by the Holding Company. Respondent knew that the Holding Company would pay the invoices with funds transferred to it from the Bank for this purpose and that the Tax-Sharing Agreement would be the Bank's justification for making the transfers.

(53) During the time in which $141,900 was transferred to the Holding Company from the Bank, Respondent knew or should have known that the transfers were not required for the payment of taxes; were neither required nor justified by the Tax-Sharing Agreement; and should not have been made.

(54) During the time in which $141,900 was transferred to the Holding Company from the Bank, Respondent knew or should have known that the Holding Company was not making a profit; would not have the cash to pay expenses absent funds transfers from the Bank; and would not otherwise have the resources to repay the Bank.

(55) Under the circumstances described in this Article, the transfers from the Bank to the Holding Company constituted loans from the Bank to the Holding Company.

(56) During the time in which the transfers were made, the Bank was a "member bank" as that term is used in 12 U.S.C. §§ 371c and 371c-1.

(57) During the time in which the transfers were made, the Holding Company was an "affiliate" of the Bank, as that term is defined in 12 U.S.C. §§ 371c(b) and 371c-1(d).

(58) Loans between a member bank and a affiliate are "covered transactions," as that term is defined in 12 U.S.C. §§ 371c(b) and 371c-1(d).

(59) Twelve U.S.C. § 371c(a)(4) provides that a member bank may engage in a "covered transaction" with an affiliate only if the covered transaction is on terms and conditions

that are consistent with safe and sound banking practices. The Bank made the loans to the Holding Company in violation of 12 U.S.C. § 371c(a)(4) because they were not on terms and conditions consistent with safe and sound banking practices. Specifically, although the Holding Company was not making a profit, the Bank made unsecured loans with no repayment terms, charged no interest on the loans, and did not document the loans in a note(s).

(60) Respondent caused, brought about, or participated in the violations of 12 U.S.C. § 371c(a)(4).

(61) Twelve U.S.C. § 371c(c)(1) provides that a loan to an affiliate by a member bank shall be secured at the time of the transaction by collateral with a certain market value. The Bank made loans to the Holding Company in violation of 12 U.S.C. § 371c(c)(1) because the loans were unsecured.

(62) Respondent caused, brought about, or participated in the violations of 12 U.S.C. § 371c(c)(1).

(63) Twelve U.S.C. § 371c-1(a)(1)(B) provides that a member bank may engage in covered transactions with an affiliate only on terms and under circumstances, including credit standards, that in good faith would be offered to, or would apply to, nonaffiliated companies. The Bank made loans to the Holding Company in violation of 12 U.S.C. § 371c-1(a)(1)(B) because the Bank would not have extended credit to a nonaffiliated company on the same terms and under the same circumstances that were present when the Bank made the loans to the Holding Company.

(64) Respondent caused, brought about, or participated in the violations of 12 U.S.C. § 371c-1(a)(1)(B).

(65) Alternatively, the Bank's transfers of $141,900 to the Holding Company constituted unlawful dividends in violation of 12 U.S.C. § 60. During 2008 and 2009, the Bank was required to obtain the Comptroller's approval to pay dividends to the Holding Company because the Bank did not have the requisite "net income" as that term is calculated pursuant to 12 U.S.C. § 60(b). Respondent did not obtain the required approvals on behalf of the Bank in 2008 and 2009.

(66) Respondent caused, brought about, or participated in the violations of 12 U.S.C. § 60.

(67) By reason of the foregoing conduct described in this Article, Respondent violated laws or regulations, engaged in unsafe or unsound practices, and breached her fiduciary duty to the Bank. Respondent's violations, unsafe or unsound practices, and breaches of fiduciary duty were part of a pattern of misconduct, caused loss of approximately $141,900 to the Bank, and benefitted Respondent because the transfers enabled the Holding Company to pay expenses.

(68) By reason of the foregoing conduct described in this Article, Respondent recklessly engaged in unsafe or unsound practices in conducting the affairs of the Bank. Respondent's approval of the Bank's transfers to the Holding Company, under the circumstances described in this Article, was given in disregard of, and evidenced a conscious indifference to, a known or obvious risk of substantial harm to the Bank.

Article VI

The Bank's Unlawful Acquisition of Brokered Deposits

(69) This Article repeats and realleges all previous Articles in this Notice.

(70) As discussed in this Article, Respondent violated laws or regulations and breached her fiduciary duty to the Bank through her involvement in the Bank's acquisition of brokered deposits at a time when the Bank was prohibited from acquiring such deposits.

(71) Between approximately August 2004 and August 2007, the Bank was party to a formal agreement with the Comptroller dated August 19, 2004 ("Agreement"). The Agreement contained a capital level requirement.

(72) A bank under a formal agreement that contains a capital level requirement is prohibited from acquiring brokered deposits without a waiver of the prohibition from the Federal Deposit Insurance Corporation ("FDIC").

(73) The Bank did not obtain a waiver of the prohibition from the FDIC while it was under the Agreement. Thus, the Bank was prohibited from acquiring brokered deposits while it was under the Agreement.

(74) A "brokered deposit" is "any deposit that is obtained, directly or indirectly, from or through the mediation or assistance of a deposit broker," as defined in 12 C.F.R. § 337.6.

(75) Respondent knew or should have known what type of deposit constitutes a brokered deposit.

(76) Respondent knew or should have known whether, at any given time, the Bank was prohibited from acquiring brokered deposits.

(77) The Bank acquired approximately $22 million in prohibited brokered deposits ("Prohibited Brokered Deposits") between approximately February 2007 and August 2007 in violation of 12 C.F.R. § 337.6.

(78) The deposit broker involved in the Bank's acquisition of the Prohibited Brokered Deposits was U.S. Sterling Capital Corp.

(79) Respondent participated in, counseled, or aided and abetted the violations of 12 C.F.R. § 337.6.

(80) During the time in which the Bank acquired the Prohibited Brokered Deposits, Respondent had key roles in the planning, organizing, and controlling of the Bank's resources, which included responsibility for the Bank's acquisition of brokered deposits. Specifically:

(a) Respondent served on the Board, which had ultimate responsibility for the planning, organizing, and controlling of the Bank's financial resources (including, but not limited to, the acquisition of brokered deposits);

(b) The Board delegated oversight of its financial resources to the President of the Bank with the advice of the Asset and Liability Committee ("ALCO"). Respondent was the President of the Bank and chaired the ALCO; and

(c) Respondent oversaw the activities of the Bank's CFO, who arranged for the Bank's acquisition of brokered deposits. The Bank's CFO was also a member of the ALCO.

(81) The Bank was required to report its brokered deposit holdings, including its holdings of the Prohibited Brokered Deposits, in the Bank's Consolidated Reports of Condition and Income ("Call Reports").

(82) After the Bank acquired the Prohibited Brokered Deposits, the Bank did not account for them as "brokered deposits" in its Call Reports.

(83) Respondent, as CEO of the Bank, signed the Bank's inaccurate Call Reports.

(84) The Bank failed to report correctly the Prohibited Brokered Deposits on its quarterly call reports dated March 31, 2007 through December 31, 2008 in violation of 12 U.S.C. § 161.

(85) Respondent caused, brought about, or participated in the violations of 12 U.S.C. § 161.

(86) By reason of the foregoing conduct described in this Article, Respondent violated laws or regulations and breached her fiduciary duty to the Bank. Respondent's violations and breaches of fiduciary duty were part of a pattern of misconduct.

Article VII

Grounds for an Order of Prohibition

(87) This Article repeats and realleges all previous Articles in this Notice.

(88) By reason of Respondent's misconduct described in each of Articles III and IV, the Comptroller seeks an order of prohibition against Respondent pursuant to 12 U.S.C. § 1818(e) on the following grounds:

(a) Respondent violated laws or regulations, engaged in unsafe or unsound practices in connection with the Bank, and/or breached her fiduciary duty to the Bank;

(b) By reason of Respondent's violations, practices, and breaches, the Bank suffered or would probably suffer financial loss or other damage, the interests of the Bank's depositors were prejudiced, and/or Respondent received financial gain or other benefit; and

(c) Respondent's violations, practices, and breaches involved personal dishonesty and/or demonstrated a willful and/or continuing disregard for the safety or soundness of the Bank.

Article VIII

Grounds for an Assessment of a Civil Money Penalty

(89) This Article repeats and realleges all previous Articles in this Notice.

(90) By reason of Respondent's misconduct described in each of Articles IV through VI, the Comptroller seeks an assessment of a civil money penalty against Respondent pursuant to 12 U.S.C. § 1818(i)(2)(A) because Respondent violated laws or regulations.

(91) By reason of Respondent's misconduct described in each of Articles III through VI, the Comptroller seeks an assessment of a civil money penalty against Respondent pursuant to 12 U.S.C. § 1818(i)(2)(B) on the following grounds:

(a) Respondent violated laws or regulations, recklessly engaged in unsafe or unsound practices in conducting the affairs of the Bank, and/or breached her fiduciary duty to the Bank; and

(b) Respondent's violations, unsafe or unsound practices, and breaches were part of a pattern of misconduct, caused or were likely to cause more than a minimal loss to the Bank, and/or resulted in pecuniary gain or other benefit to Respondent.

Article IX

Opportunity for a Hearing

(92) Respondent is directed to file a written Answer to this Notice within twenty (20) days from the date of service of this Notice, in accordance with 12 C.F.R. § 19.19(a) and (b). The original and one copy of any Answer shall be filed with the Office of Financial Institution Adjudication, Federal Deposit Insurance Corporation, 3501 N. Fairfax Drive, Suite VS-D8113, Arlington, VA 22226. Respondent is encouraged to file any Answer electronically with the Office of Financial Institution Adjudication at ofia@fdic.gov. A copy of any Answer shall also be filed upon the Hearing Clerk, Office of the Chief Counsel, Office of the Comptroller of the Currency, 250 E Street, SW, Washington, D.C. 20219 and with the attorney whose name appears on the accompanying certificate of service. **Failure to answer within this time period shall constitute a waiver of the right to appear and contest the allegations contained in this Notice, and shall, upon the Comptroller's motion, cause the Administrative Law Judge or the Comptroller to find the facts in this Notice to be as alleged, upon which an appropriate order may be issued.**

(93) Respondent is also directed to file, with the Answer, a written request for a hearing before the Comptroller concerning the assessment of civil money penalties contained in this Notice within twenty (20) days after date of service of this Notice, in accordance with 12 U.S.C. § 1818(i) and 12 C.F.R. § 19.19(a) and (b). The original and one copy of any request shall be filed, along with the written Answer, with the Office of Financial Institution Adjudication, Federal Deposit Insurance Corporation, 3501 N. Fairfax Drive, Suite VS-D8113, Arlington, VA 22226. Respondent is encouraged to file any request electronically with the

Office of Financial Institutions Adjudication at ofia@fdic.gov. A copy of any request, along with the written Answer, shall also be served upon the Hearing Clerk, Office of the Chief Counsel, Office of the Comptroller of the Currency, 250 E Street SW, Washington, D.C. 20219 and with the attorney whose name appears on the accompanying certificate of service. **Failure to request a hearing within this time period shall cause this assessment in this Notice to constitute a final and unappealable order for a civil money penalty against Respondent, pursuant to 12 U.S.C. § 1818(i).**

Prayer for Relief

The Comptroller prays for relief in the form of the issuance of a final Order of Prohibition and an Assessment of a Civil Money Penalty in the amount of fifty thousand dollars ($50,000).

Witness, my hand on behalf of the Office of the Comptroller of the Currency, given at Washington, D.C. this __*11th*__ day of May, 2011.

/s/John W. Quill

John W. Quill
Deputy Comptroller
Special Supervision Division