FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D. C.

In the Matter of Douglas J. Kallenberger, an institution-affiliated party of Stockman Bank of Montana Miles City, Montana (Insured State Nonmember Bank) Respondent's NMLS UI# N/A	)))))))))))))))	ORDER OF PROHIBITION FROM FURTHER PARTICIPATION AND ORDER TO PAY FDIC-22-0076e FDIC-22-0077k

Douglas J. Kallenberger (Respondent) was advised of the right to receive a Notice of Intention to Prohibit from Further Participation and a Notice of Assessment (collectively, Notices) detailing Respondent's reckless unsafe or unsound banking practices and/or breaches of fiduciary duty for which an Order of Prohibition from Further Participation (Prohibition Order) and Order to Pay a civil money penalty ("Order to Pay") (collectively, Orders) may be issued under 12 U.S.C. § 1818(e) and (i).

Respondent was further advised of the right to a hearing on the Notices under 12 U.S.C. § 1818(e) and (i), and 12 C.F.R. Part 308, subparts A & B. Respondent waived certain rights under those provisions on December 8, 2022, and consented to the issuance of the Orders by entering into a Stipulation and Consent to the Issuance of an Order of Prohibition from Further Participation and Order to Pay (Consent Agreement) with a representative of the Federal Deposit Insurance Corporation's (FDIC) Legal Division.

The FDIC determined and Respondent neither admits nor denies the following:

1. Respondent, between January 16, 2019 and February 28, 2020, while an employee and branch president of Stockman Bank of Montana, Miles City, Montana (Bank), made unauthorized advances on the loan accounts of a bank customer and used the proceeds for personal purposes.

2. As described in paragraph 1, Respondent recklessly engaged in unsafe or unsound practices in connection with the Bank, and breached Respondent's fiduciary duties owed to the Bank.

3. Respondent's practices and breaches were part of a pattern of misconduct which caused the Bank to suffer more than a minimal financial loss or other damage, and as a result Respondent received financial gain or other benefit.

4. Respondent's practices and breaches involved personal dishonesty and demonstrated Respondent's willful and/or continuing disregard for the safety or soundness of the Bank.

After considering the civil money penalty (CMP) mitigating factors under 12 U.S.C. § 1818(i)(2)(G), the FDIC accepts the Consent Agreement and issues the following:

ORDER OF PROHIBITION FROM FURTHER PARTICIPATION

5. Douglas J. Kallenberger is prohibited from:

a. participating in any manner in the conduct of the affairs of any financial institution or organization listed in 12 U.S.C. § 1818(e)(7)(A);

b. soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any financial institution enumerated in 12 U.S.C. § 1818(e)(7)(A);

c. violating any voting agreement previously approved by the appropriate Federal banking agency; and

d. voting for a director or serving or acting as an institution-affiliated party.

6. The Prohibition Order is effective upon issuance and will remain effective and enforceable until the FDIC, and any "appropriate Federal financial institutions regulatory agency," defined at 12 U.S.C. § 1818(e)(7)(D), decide in writing to modify, terminate, suspend, or set aside the Prohibition Order under 12 U.S.C. § 1818(e)(7)(B).

7. The Prohibition Order is enforceable under 12 U.S.C. § 1818(i), and any violation of it may result in additional penalties under 12 U.S.C. § 1818(j).

8. The Prohibition Order does not waive any right, power, or authority of the United States; federal, state, or local agencies; or the FDIC as Receiver.

ORDER TO PAY

9. By reason of Respondent's actions listed in paragraph 1, a $5,000 civil money penalty (CMP) is assessed against Douglas J. Kallenberger under 12 U.S.C. § 1818(i)(2) and is effective upon issuance. Respondent must immediately pay the CMP to the Treasury of the United States.

10. Respondent may not seek or accept indemnification from any insured depository institution for the CMP assessed in this matter.

11. The Order to Pay is enforceable under 12 U.S.C. § 1818(i) and the FDIC will take action to collect the amount due if Respondent fails to make payment.

12. The Order to Pay does not waive any right, power, or authority of the United States; federal, state, or local agencies; or the FDIC as Receiver.

Issued under delegated authority.

Dated: April 10, 2023.

/s/

Patricia A. Colohan
Associate Director
Division of Risk Management Supervision