FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of Brady D. Torgerson, an institution-affiliated party of The Union Bank Beulah, North Dakota and First Security Bank – West Beulah, North Dakota (Insured State Nonmember Banks) Respondent's NMLS UI# 1659502	))))))))))))))))))	ORDER OF PROHIBITION FROM FURTHER PARTICIPATION FDIC-23-0077e

Brady D. Torgerson (Respondent) was advised of the right to receive a Notice of Intention to Prohibit from Further Participation (Notice) detailing Respondent's violations of law and regulations, unsafe and unsound banking practices, and breaches of fiduciary duties for which an Order of Prohibition from Further Participation (Prohibition Order) may be issued under 12 U.S.C. § 1818(e).

Respondent was further advised of the right to a hearing on the Notice under 12 U.S.C. § 1818(e), and 12 C.F.R. Part 308, subparts A & B. Respondent waived certain rights under those provisions on October 30, 2023, and consented to the issuance of the Prohibition Order by entering into a Stipulation and Consent to the Issuance of an Order of Prohibition from Further Participation (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. From November 2019 through July 2021, Respondent engaged in misconduct at two insured depository institutions. While president, chief executive officer, and board member of First Security Bank – West, Beulah, North Dakota (FSBW), Respondent failed to follow loan underwriting standards and advanced unapproved funds; issued unfunded money orders from FSBW's general ledger account; and concealed material loan information. In January 2021, Respondent became a loan officer at The Union Bank, Beulah, North Dakota (Union) and used his position to create fraudulent loan obligations; conceal material information to cover his misconduct; and issued unfunded money orders from Union's general ledger account. As a result of this misconduct, Respondent pleaded guilty to two counts of bank fraud.

2. As described in paragraph 1, Respondent violated laws, engaged and participated in unsafe and unsound practices, and breached his fiduciary duties owed to FSBW.

3. Respondent's violations, practices, and breaches caused FSBW and Union to suffer more than minimal financial loss and other damage.

4. Respondent's violations, practices, and breaches involved personal dishonesty and demonstrated Respondent's willful and continuing disregard for the safety and soundness of FSBW and Union.

The FDIC accepts the Consent Agreement and issues the following:

ORDER OF PROHIBITION FROM FURTHER PARTICIPATION

5. Brady D. Torgerson 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.

Issued under delegated authority.

Dated: June 25, 2024.

/s/
Patricia A. Colohan
Associate Director
Division of Risk Management Supervision