FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of:	)	FINAL DECISION, ORDER TO PROHIBIT FROM FURTHER PARTICIPATION, AND ORDER TO PAY A CIVIL MONEY PENALTY
BRYAN E. DALTON, Individually and as a former Institution-Affiliated Party of	)	
RIVERBANK POCAHONTAS, ARKANSAS (Insured State Nonmember Bank)	)	FDIC-21-0034e FDIC-22-0024k

I. INTRODUCTION

This matter is before the Board of Directors ("Board") of the Federal Deposit Insurance Corporation ("FDIC") following the issuance of a Recommended Decision ("Recommended Decision" or "R.D.") by Administrative Law Judge Jennifer Whang ("ALJ") on February 22, 2024. The ALJ recommended that Bryan E. Dalton ("Respondent") be subject to an order of prohibition and that Respondent be assessed a civil money penalty ("CMP") in the amount of $35,000 for unsafe or unsound banking practices and breaches of fiduciary duties.

The FDIC's notice to Respondent alleged, and the ALJ found, that in 2019, while serving as a loan officer at RiverBank in Pocahontas, Arkansas ("Bank"), Respondent planned, implemented, and attempted to cover up a scheme by which he misappropriated a total of $87,951.50 from the accounts of four loan customers while assisting those customers through the Bank's loan approval process.

After a thorough review of the Recommended Decision and the record of this proceeding, the Board finds that the sanctions recommended by the ALJ are warranted by the evidence of Respondent's actions, and those sanctions are appropriate given the effects of Respondent's misconduct and Respondent's culpability in diverting customer funds for his own use.

Accordingly, the Board adopts the ALJ's findings, conclusions, and recommended sanctions, and now issues this Final Decision together with an Order to Prohibit from Further Participation and an Order to Pay a Civil Money Penalty.

II. PROCEDURAL HISTORY

On May 24, 2022, the FDIC issued a Notice of Intention to Prohibit from Further Participation, Notice of Assessment of Civil Money Penalty, Findings of Fact and Conclusions of Law, Order to Pay, Notice of Hearing, and Prayer for Relief ("Notice") against Respondent pursuant to sections 8(e) and 8(i) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1818(e), & (i).

Respondent, an institution-affiliated party ("IAP") pursuant to section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), was employed as a loan officer at the Bank during the period charged in the Notice. The Notice alleged that in 2019 Respondent engaged in unsafe and unsound practices and breached his fiduciary duties owed to the Bank. Further, by reason of Respondent's unsafe or unsound practices the Bank suffered financial loss, while the Respondent received financial gain or other benefit. Finally, the Respondent's acts demonstrated personal dishonesty and a willful disregard for the safety or soundness of the Bank.

On July 11, 2023, after briefing by the parties, the ALJ denied Enforcement Counsel's Motion for Partial Summary Disposition because questions of material fact remained in dispute. The ALJ held a hearing in Little Rock, Arkansas on September 26 and 27, 2023. The hearing included testimony from 11 witnesses, including Respondent, and admission of 85 exhibits.

Five days after the administrative hearing, Respondent pled guilty in an Arkansas state criminal proceeding to four felony theft charges in connection with the same loans at issue in the FDIC enforcement proceeding. Respondent's guilty plea contradicted some of his testimony

given at the administrative hearing. Because the FDIC had not charged Respondent with violations of Arkansas law, the ALJ considered Respondent's guilty plea in the Arkansas criminal proceeding only in assessing the credibility of Respondent's hearing testimony.

Following the administrative hearing, the parties had the opportunity to file post-hearing briefs and proposed findings of fact and conclusions of law. Respondent failed to make any post-hearing filings.[1]

On February 22, 2024, the ALJ issued the Recommended Decision and certified the record of the proceeding.[2] Neither Respondent nor Enforcement Counsel filed exceptions to the Recommended Decision. On August 23, 2024, the Recommended Decision and the administrative record were submitted to the Board for a final decision.

III. FACTS[3]

In 2019, Respondent was a loan officer for the Bank (total assets of approximately $118 million as of June 30, 2024). R.D. at 11. Respondent's duties included assisting applicants for large agricultural loans in obtaining information and approvals needed for the loan applications, processing the loan applications, and obtaining approval for loans over $10,000 from the Bank's board or loan subcommittee. *Id.* The U.S. Department of Agriculture Farm Service Agency ("FSA") offered loan guarantees for a fee that could be passed on to the borrower. When a loan required collateral, such as an FSA guarantee to protect the Bank's investment, Respondent's duties included securing the FSA guarantee. *Id.* at 11-12.

[1] Failure to file a proposed finding of fact or conclusion of law on an issue waives the right to raise that issue later in the proceeding. 12 C.F.R. § 308.37(a)(2).
[2] On July 2, 2024, the proceeding was briefly remanded to the ALJ for technical corrections.
[3] Because the ALJ provided a lengthy, detailed and well-reasoned Recommended Decision with extensive citations to the record in support of her conclusions, the Board finds it unnecessary to repeat in full the contents of the Recommended Decision. Particular findings relevant to the imposition of a prohibition order or assessment of a civil money penalty are discussed in those sections of this Final Decision.

While working with four different Bank customers on their loan applications, Respondent deceived the Bank about the FSA guarantees and the four borrowers about his actions while diverting funds from the borrowers' accounts to his own account in another bank. R.D. at 14 – 25. More specifically, Respondent formed a sole proprietorship with the name FSAEV. *Id.* at 12. In obtaining approval for the four loans, Respondent represented to the borrowers and the Bank's board or loans subcommittee that he had secured or would secure the necessary FSA loan guarantee, but he did not do so. *Id.* at 14 - 25. Instead, Respondent drew funds from each of the four customer accounts in amounts similar to what the FSA guarantee fees would have been. Respondent had those funds paid to his own FSAEV account. *Id.* In doing so, Respondent created false forms for services FSAEV had or would perform on behalf of the four borrowers, deceived the borrowers into signing them, notarized the forms (despite being an interested party to the forms) and otherwise attempted to cover up his scheme. *Id.*

Respondent diverted funds from borrowers' bank accounts totaling $87,951.50 to himself before his activities were discovered. R.D. at 27. When Bank President Kyle Baltz ("President Baltz") discovered the improper loan activity and directed Respondent to provide proper documentation of the FSA guarantees for the loans at issue, Respondent instead provided additional falsified documents. *Id.* at 26. The Bank reimbursed the four borrowers. *Id.* at 27. While the Bank's insurance paid a portion of the Bank's loss, the Bank was not made whole. *Id.*

IV. LEGAL STANDARDS FOR ORDERS OF PROHIBITION AND CIVIL MONEY PENALTIES

The initial Notice in this proceeding advises Respondent that the FDIC is seeking an order prohibiting him from further participation under section 8(e) of the Federal Deposit Insurance Act ("FDIA" or "Act") and assessment of a second-tier CMP in the amount of $35,000

under section 8(i)(2) of the Act. The standards applicable to those sanctions are summarized following.

A. Removal and Prohibition

Under section 8(e) of the Act, 12 U.S.C. § 1818(e), the appropriate Federal banking agency for a depository institution may serve an IAP with a written notice of "the agency's intention to remove such party from office or to prohibit any further participation by such party, in any manner, in the conduct of the affairs of any insured depository institution." The agency must prove three separate elements – misconduct, effect, and culpability – set out in section 8(e)(1)(A), (B), and (C).

The "misconduct" element requires that an IAP has directly or indirectly: violated any law, regulation, cease and desist order, condition imposed by a Federal banking agency, or a written agreement between the depository institution and the agency (8(e)((1)(A)(i)); "engaged or participated in any unsafe or unsound practice in connection with any insured depository institution" (8(e)(1)(A)(ii)); or "committed or engaged in any act, omission, or practice which constitutes a breach of such party's fiduciary duty" (8(e)(1)(A)(iii)).

The "effect" element is shown when the misconduct – the unsafe or unsound practice or breach of fiduciary duty – results in the insured depository institution's actual or probable "financial loss or other damage" (8(e)(1)(B)(i)), or its "depositors have been or could be prejudiced" (8(e)(1)(B)(ii)), or the IAP "has received financial gain or other benefit by reason of such violation, practice, or breach" (8(e)(1)(B)(iii)).

The "culpability" element requires that the misconduct "involves personal dishonesty on the part of" the IAP (8(e)(1)(C)(i)), or the misconduct "demonstrates willful or continuing

disregard by such party for the safety or soundness" of the insured depository institution (8(e)(1)(C)(ii)).

B. Civil Money Penalty

Section 8(i)(2)(B) of the Act, 12 U.S.C. § 1818(i)(2)(B), describes the requirements for assessment of a second-tier CMP on an IAP, which also involves satisfying multiple elements.

The "misconduct" element is similar to that under 8(e): A CMP may be assessed on an IAP who violates a law, regulation, order, condition imposed by a Federal banking agency, or written agreement between the depository institution and the agency (8(i)(2)(B)(i)(I)); or who "recklessly engages in an unsafe or unsound practice in conducting the affairs of such insured depository institution" (8(i)(2)(B)(i)(II); or who "breaches any fiduciary duty" (8(i)(2)(B)(i)(III)).

The "effect" element for a CMP is satisfied when the misconduct: "is part of a pattern of misconduct" (8(i)(2)(B)(ii)(I)); "causes or is likely to cause more than a minimal loss to such depository institution" (8(i)(2)(B)(ii)(II)); or "results in pecuniary gain or other benefit" to the IAP (8(i)(2)(B)(ii)(III)).

The CMP provision does not have a "culpability" element. However, the agency must apply the mitigating factors provided in section 8(i)(2)(G):

> In determining the amount of any penalty imposed under subparagraph (A), (B), or (C), the appropriate agency shall take into account the appropriateness of the penalty with respect to--
>
> (i) the size of financial resources and good faith of the insured depository institution or other person charged;
> (ii) the gravity of the violation;
> (iii) the history of previous violations; and
> (iv) such other matters as justice may require.

C. Prohibition Is Warranted

As discussed below, the Board finds that Respondent's activities in 2019 clearly satisfy the three elements necessary to impose a prohibition.

1. Elements of Prohibition: Misconduct

Misconduct under section 8(e) encompasses engaging or participating in any unsafe or unsound practice in connection with any insured depository institution or committing or engaging in any act, omission or practice which constitutes a breach of an IAP's fiduciary duty. 12 U.S.C. § 1818(e)(1)(A)(ii) & (iii). The record here clearly establishes that Respondent engaged in both types of misconduct.

a. Unsafe or Unsound Practices

An unsafe and unsound banking practice is one that is "contrary to generally accepted standards of prudent operation" whose consequences are an "abnormal risk of loss or harm" to a bank. *Michael v. FDIC*, 687 F.3d 337, 352 (7th Cir. 2012); *see also Seidman v. OTS*, 37 F.3d 911, 928, 932 (3d Cir. 1994) ("imprudent act" posing an "abnormal risk or loss or damage to an institution, its shareholders, or the agencies administering the insurance funds" is unsafe and unsound practice). For example, failure to obtain collateral or a guarantee before making a loan is an unsafe and unsound practice. *In the Matter of Michael Sapp*, Nos. 13-477e & 13-478k, 2019 WL 5823871, at *13 (Sept. 17, 2019) (FDIC final decision). Likewise, falsifying banks records and diverting loan proceeds for personal benefit is an unsafe and unsound practice. *See*, *e.g.*, *In the Matter of Charles F. Watts*, Nos. 98-046e & -044k, 2002 WL 31259465, at *6-7 (Aug. 6, 2002) (FDIC final decision).

The evidence at the hearing supports the ALJ's finding that the Respondent engaged in unsafe or unsound practices. R.D. at 29-32. Respondent failed to obtain the necessary collateral or guarantees before closing four loans. The FSA guarantees acted as collateral for these loans.

Absent the guarantees, the loans represented a greater risk to the Bank. *Id.* at 30. Respondent also falsified bank records both before and after the loans were approved indicating the loans had or would have the guarantees. *Id.* Respondent subsequently withdrew funds from the borrowers' bank accounts and deposited them in a bank account of his solely owned business that provided no services to the borrowers. *Id.* at 31. Finally, when asked about the missing FSA guarantees, Respondent provided false FSA conditional commitment forms in an effort to deceive the Bank into believing that he had submitted the paperwork to the FSA. *Id.* at 31-32.

Respondent's explanations concerning these events changed during the course of the proceeding. Initially, Respondent alleged that the circumstances surrounding the loans had changed, President Baltz was aware of these changes, President Baltz directed Respondent to continue closing the loans and, in so doing, relieved Respondent of responsibility for obtaining the FSA guarantees. R.D. at 32. During the hearing, however, Respondent's counsel seemed to allege instead that the Bank lacked the procedures necessary to prevent Respondent's unauthorized disbursements. *Id.* The Board concurs with the ALJ's decision to reject both arguments.

First, the evidence viewed as a whole supports a finding that President Baltz was not aware of Respondent's failure to secure the FSA guarantees before the Bank's internal investigation. Transcript at p. 176 (lines 6-9). Second, as the ALJ points out, the sufficiency of the Bank's internal controls is irrelevant to determining whether the Respondent acted in an unsafe and unsound manner when he falsified loan documents, embezzled funds from bank borrowers for non-existent services, and then attempted to cover up the scheme with additional false records after the Bank learned that FSA guarantees were missing. R.D. at 32. Accordingly,

the Board finds that Respondent's actions constituted unsafe and unsound practices that are contrary to generally accepted standards of prudent operation.

b. Breach of Fiduciary Duty

As a Bank loan officer, Respondent owed the Bank fiduciary duties of care and loyalty, which obligated him at all times "to act in good faith and in the best interests of the Bank." *Michael Sapp*, 2019 WL 5823871, at *14. The fiduciary duty of care required Respondent "to act diligently, prudently, honestly, and carefully in carrying out [his] responsibilities." *In the Matter of Tonya Williams*, No. 11-553e, 2015 WL 3644010, at *9 (Apr. 21, 2015) (FDIC final decision) (internal quotation marks and citation omitted).

Bank employees may breach this fiduciary duty by simply failing to disclose material information—even when not asked. *See*, *e.g.*, *Donald Watkins,* 2019 WL 6700075, at *7; *De la Fuente II v. FDIC*, 332 F.3d 1208, 1222 (9th Cir. 2003). Embezzling funds from bank customers is a clear breach of fiduciary duty. *See Matter of Skabardonis*, FDIC- 13-0444e, 2016 WL 8201948, at *1, *5 (May 10, 2016) (bank employee who embezzled funds from customer accounts and stole a customer's identity engaged in dishonest behavior, unsafe and unsound banking practices, and breach of fiduciary duty); *see also Matter of Bauer*, FDIC-11-21e, 2012 WL 7152170, at *3 (Oct. 9, 2012) (bank employee who embezzled funds from bank engaged in dishonest behavior, unsafe and unsound banking practice and breach of fiduciary duty); *Matter of Bennett*, FDIC-02-206e, 2004 WL 2185944, at *2 (Aug. 16, 2004) (prohibiting bank employee who embezzled funds). Meanwhile, the duty of loyalty "includes a duty to avoid conflicts of interests and to act solely for the benefit of the bank." *In the Matter of Steven Ellsworth*, Nos. AA-EC-11-41 and -42, 2016 WL 11597958, at *15 (March 23, 2016) (OCC final decision);

accord, *e.g.*, *Smith & Kiolbasa*, 2021 WL 1590337, at *15; *Michael v. FDIC*, 687 F.3d 337, 351 (7th Cir. 2012).

For many of the same reasons enumerated previously regarding how Respondent's actions constituted unsafe and unsound practices, the ALJ held that Respondent also breached his fiduciary duties of care and loyalty. R.D. at 33. The Board agrees. Respondent 1) failed to seek and obtain the FSA guarantees required as part of his job duties, 2) failed to report the lack of FSA guarantees to the Bank's board or loan subcommittee, 3) embezzled funds from customer accounts, and 4) presented fraudulent documents to the Bank when it uncovered his scheme.

2. Elements of Prohibition: Effect

The record supports a finding that the Bank suffered economic loss as a result of Respondent's acts, and that Respondent obtained a financial gain or other benefit, either of which is sufficient to satisfy the "effects" prong of section 8(e). The undisputed evidence shows that the Bank suffered losses totaling $87,951.50—the total amount the Bank reimbursed the four borrowers for funds withdrawn from their bank accounts by Respondent. R.D. at 35. The Bank recovered $62,951.50 of this amount from its insurer (the amount reimbursed to the four borrowers less a $25,000 deductible). *Id.*

Accordingly, the Board agrees with the ALJ that the Bank suffered a loss attributable to Respondent's misconduct and that Respondent received financial gain from his misconduct. The Board finds that the effects prongs of 12 U.S.C. §§ 1818(e) and 1818(i) are hereby satisfied.

3. Elements of Prohibition: Culpability

Culpability, for purposes of section 8(e), may be shown by "personal dishonesty", or a "willful or continuing disregard for the safety and soundness of the financial institution." 12 U.S.C. § 1818(e)(1). Personal dishonesty includes a range of behavior, including a disposition to

lie, cheat or defraud; untrustworthiness; lack of integrity; misrepresentation of fact and deliberate deception by pretense and stealth; or want of fairness and straightforwardness. *In the Matter of Tonya Williams*, No. 11-553e, 2015 WL 3644010, at *10 (Apr. 21, 2015) (FDIC final decision). The personal dishonesty standard is also "satisfied when a person disguises wrongdoing . . . or fails to disclose material information," but only if it can be shown that they have done so with the requisite knowledge of the wrongfulness of their actions. *Dodge v. OCC*, 744 F.3d 148, 160 (D.C. Cir. 2014); *accord*, *e.g.*, *Smith & Kiolbasa*, 2021 WL 1590337, at *28. Meanwhile, Courts have held that "willful or continuing disregard" signifies, at least, "'a mental state… akin to recklessness.'" *Kim v. OTS*, 40 F.3d 1050, 1054 (9th Cir. 1994) (quoting *Brickner v. FDIC*, 747 F.2d 1198, 1203 & n.6 (8th Cir. 1984)); *see also De La Fuente II*, 332 F.3d at 1223 ("willful disregard" refers to "deliberate conduct which exposed the bank to abnormal risk of loss or harm contrary to prudent banking practices"); *In the Matter of **** *Bank* **** *Bank*, 1986 WL 379636, *18 (FDIC July 17, 1986) ("continuing conduct" is that "conduct which is voluntarily engaged in over a period of time with heedless indifference to the prospective consequences"). An officer acts "willfully" when he is aware of his conduct; "willfulness" does not require a showing that Respondent was aware of the law. *In the Matter of Michael D. Landry*, 1998 WL 34083421 (FDIC Aug. 14, 1998).

Here, Respondent's actions demonstrate personal dishonesty when he 1) failed to obtain FSA guarantees on loans to the four borrowers, but did not disclose that the loans lacked FSA guarantees to the Bank board, the loan subcommittee, or Bank management; 2) provided falsified forms to the Bank that were intended to show that loans to three borrowers were FSA guaranteed; and 3) embezzled $87,951.50. The Board finds that those actions also demonstrated a willful and continuing disregard for the safety or soundness of the Bank.

Moreover, after the hearing, Respondent pled guilty to four felony Arkansas state charges which stem from the same misconduct alleged in this proceeding—further undermining his credibility. Accordingly, the Board agrees with the ALJ that Respondent exhibited personal dishonesty that meets the culpability prong of 12 U.S.C. § 1818(e).

The Board finds too that Respondent's conduct demonstrates "willful or continuing disregard." Although proof of either willful or continuing disregard is enough to meet the culpability threshold for purposes of section 8(e) of the FDI Act, in this case Respondent's conduct meets both tests. *See, e.g., Brickner v. FDIC,* 747 F. 2d 1198, 1202-03 (8th Cir. 1984). "'Willful disregard' means 'deliberate conduct which exposed the bank to abnormal risk of loss or harm contrary to prudent banking practices.'" *De La Fuente v. FDIC,* 332 F.3d at 1223 (*quoting Grubb v. FDIC*, 34 F.3d 956, 961-62 (10th Cir. 1994)). As described previously, Respondent took deliberate action (when he failed to secure the proper guarantees and/or collateral and withheld that information from the Bank) that exposed the Bank to an abnormal risk of loss for each of the four loans. Respondent also repeated this misconduct four separate times, with four separate borrowers—blatantly disregarding the consequences.

The Board agrees with the ALJ's conclusions, none of which is predicated on the criminal convictions in Arkansas state court, establishing the required elements for prohibition under section 8(e) of the FDI Act—misconduct, effects, and culpability. 12 U.S.C. § 1818(e)(1). Accordingly, the Board finds that a preponderance of evidence supports entry of a prohibition order against Respondent.

D. A Civil Money Penalty is Warranted

The purpose of a CMP "is to deprive the violators of any financial benefit derived as a result of the violations, provide a sufficient degree of punishment, and [act as] an adequate

deterrent to the respondents and others from future violations of banking laws and regulations." *In the Matter of Richard D. Donohoo and Craig R. Mathies*, Nos. 92-249c & b *et seq.*, 1995 WL 618673, at *27 (FDIC final decision); *see also Long v. Bd. of Gov. of the Fed. Res. Sys.*, 117 F.3d 1145, 1154 (10th Cir. 1997) (CMPs provide banking agencies with "the flexibility [they] need[] to secure compliance" with the relevant banking laws and to "serve as deterrents to violations of laws, rules, regulations, and orders of the agencies") (internal quotation marks and citation omitted).

The elements that must be shown in order to impose a CMP overlap the first two elements that must be shown for an order of prohibition: misconduct, including that the IAP "recklessly" engages in an unsafe or unsound banking practice or breaches a fiduciary duty (section 8(i)(2)(B)(i)(II) and (III)); and effect, including that the misconduct is part of a pattern, causes or is likely to cause more than a minimal loss to the depository institution, or results in pecuniary gain or other benefit to the IAP (section 8(i)(2)(B)(ii)(I), (II), and (III)). The discussion in the previous section showing that Respondent's misconduct and the effects of that misconduct satisfy the elements required for a prohibition order apply equally to satisfy the misconduct and effects elements required for a CMP order.

In addition to satisfying the misconduct and effects elements when seeking a CMP, federal banking agencies are also required to consider whether the amount being assessed is appropriate in light of five mitigating factors: (1) the financial resources of the person charged; (2) the good faith of the person charged; (3) the gravity of the violation; (4) the history of previous violations; and (5) "such other matters as justice may require." 12 U.S.C. 1818(i)(2)(G).

The Board concurs with the ALJ's reasoned findings regarding the mitigating factors (R.D. at 39-41) and agrees that $35,000 is an appropriate monetary penalty for Respondent's misconduct in this case.

V. CONCLUSION

For the reasons set forth previously, the Board adopts the findings, conclusions, and recommendation of the Administrative Law Judge to enter a prohibition order and an order to assess a CMP of $35,000 against Respondent and issues the following Orders implementing its decision.

ORDER TO PROHIBIT FROM FURTHER PARTICIPATION

The Federal Deposit Insurance Corporation ("FDIC") Board of Directors ("Board"), having considered the entire record of this proceeding, finds that Respondent Bryan E. Dalton, formerly employed by RiverBank, Pocahontas, Arkansas ("Bank"), engaged in unsafe and unsound banking practices and breaches of fiduciary duties for which the Bank suffered financial loss. The Board further finds that Respondent's actions involved personal dishonesty and willful and continuing disregard for the Bank's safety and soundness. The Board hereby ORDERS and DECREES that:

1. Bryan E. Dalton shall not participate in any manner in any conduct of the affairs of any insured depository institution, agency, or organization enumerated in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written consent of the FDIC and the appropriate Federal financial institutions regulatory agency as that term is defined in section 8(e)(7)(D) of the FDI Act, 12 U.S.C. § 1818(e)(7)(D).

2. Bryan E. Dalton shall not solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any financial institution, agency, or organization enumerated in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written consent of the FDIC and the appropriate Federal financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the FDI Act, 12 U.S.C. § 1818(e)(7)(D).

3. Bryan E. Dalton shall not violate any voting agreement previously approved by the appropriate Federal banking agency with respect to any insured depository institution, agency, or organization enumerated in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written consent of the FDIC and the appropriate Federal

financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the FDI Act, 12 U.S.C. § 1818(e)(7)(D).

4. Bryan E. Dalton shall not vote for a director, or serve or act as an institution-affiliated party, as that term is defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), of any insured depository institution, agency, or organization enumerated in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written consent of the FDIC and the appropriate Federal financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the FDI Act, 12 U.S.C. § 1818(e)(7)(D).

5. This ORDER shall be effective immediately.

SO ORDERED. The provisions of this ORDER will remain effective and in force except to the extent that, and until such time as, any provision of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

IT IS FURTHER ORDERED that copies of the Board's Final Decision, Order to Prohibit from Further Participation, and Order to Pay a Civil Money Penalty shall be served on Counsel for Respondent Bryan E. Dalton, FDIC Enforcement Counsel, the Administrative Law Judge, and the Arkansas State Bank Department.

By Order of the Board of Directors.

Dated at Washington, D.C., this 20th day of November, 2024.

/s/
Debra A. Decker
Executive Secretary

ORDER TO PAY A CIVIL MONEY PENALTY

The Federal Deposit Insurance Corporation ("FDIC") Board of Directors ("Board), having considered the entire record in this proceeding, hereby ORDERS and DECREES that:

1. A civil money penalty is assessed against Bryan E. Dalton in the amount of $35,000 pursuant to 12 U.S.C. § 1818(i).

2. This ORDER shall be effective and the penalty shall be final and payable thirty (30) days from the date of its issuance.

SO ORDERED. The provisions of this ORDER will remain effective and in force except to the extent that, and until such time as, any provision of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

IT IS FURTHER ORDERED that copies of the Board's Final Decision, Order to Prohibit from Further Participation, and Order to Pay Civil Money Penalty shall be served on Counsel for Respondent Bryan E. Dalton, FDIC Enforcement Counsel, the Administrative Law Judge, and the Arkansas State Bank Department.

By Order of the Board of Directors.

Dated at Washington, D.C. this 20th day of November, 2024.

/s/_____
Debra A. Decker
Executive Secretary