

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

	)	NOTICE OF ASSESSMENT OF
In the Matter of	)	CIVIL MONEY PENALTY
	)	FINDINGS OF FACT AND
PARK BANK,	)	CONCLUSIONS OF LAW,
HOLMEN, WISCONSIN	)	ORDER TO PAY, AND
	)	NOTICE OF HEARING
(INSURED STATE NONMEMBER	)	
BANK)	)	FDIC-16-0051k

NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY

The Federal Deposit Insurance Corporation ("FDIC") is of the opinion that Park Bank, Holmen, Wisconsin, ("Respondent") has engaged in a pattern or practice of committing violations of Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339, which implements the requirements of the National Flood Insurance Act of 1968 ("NFIA") and the Flood Disaster Protection Act of 1973 ("FDPA"), as amended 42 U.S.C. 4001-4129.

Wherefore, the FDIC hereby issues this NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY, AND NOTICE OF HEARING ("NOTICE OF ASSESSMENT"), pursuant to the provisions of 42 U.S.C. § 4012a(f)(1), and section 8(i) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(i), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308, for violations of the FDPA. In support thereof, the FDIC finds and concludes as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Respondent is a corporation existing and doing business under the laws of the State of Wisconsin, having its principal place of business in Holmen, Wisconsin. Respondent is and

was, at all times pertinent to this proceeding, an insured State nonmember bank subject to the Act, 12 U.S.C. §§ 1811-1831aa.

2. At all times pertinent to this proceeding Respondent is and was an "insured depository institution" as that term is defined in section 3(c) of the Act, 12 U.S.C. § 1813(c).

3. At all times pertinent to this proceeding Respondent is and was a "regulated lending institution" as that term is defined in section 3(a)(10) of the FDPA, 42 U.S.C. § 4003(a)(10).

4. At all times pertinent to this proceeding the FDIC is and was the "appropriate Federal banking agency" to maintain this enforcement action pursuant to section 3(q)(3) of the Act, 12 U.S.C. § 1813(q)(3).

5. At all times pertinent to this proceeding the FDIC is and was the "appropriate Federal entity for lending regulation" for the purposes of enforcing section 102 of the FDPA, 42 U.S.C. § 4012a, against state nonmember banks.

6. The FDIC has jurisdiction over the Respondent and the subject matter of this proceeding.

7. On or about July 8, 2014, Respondent made a loan to BH ("BH") for the amount of \$30,000 ("BH Loan One"), which was a renewal of an earlier loan.

8. BH Loan One was and is secured by a building that is on land in the flood plain within a community having at least a one percent chance of flooding in any given year, as designated by the Director of the Federal Emergency Management Agency ("FEMA") for which flood insurance is available under the National Flood Insurance Act of 1968 ("NFIA"), 42 U.S.C. 4001-4029, (hereafter "Designated Loan").

9. Respondent failed to provide any written notice to BH stating whether or not

flood insurance was available under the NFIA for the collateral securing BH Loan One in violation of section 339.9(a) of the FDIC's Rules and Regulations, 12 C.F.R. 339.9(a).

10. On or about September 5, 2014, Respondent made a loan to BH in the amount of \$34,657 ("BH Loan Two").

11. BH Loan Two was and is a Designated Loan.

12. Respondent failed to maintain an adequate amount of Flood Insurance during the term of BH Loan Two in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. 339.3(a).

13. On or about March 4, 2015, Respondent made a loan to BH in the amount of \$18,000 ("BH Loan Three").

14. BH Loan Three was and is a Designated Loan.

15. Respondent failed to maintain an adequate amount of Flood Insurance during the term of BH Loan Three in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. 339.3(a).

16. On or about October 30, 2015, Respondent made a loan to JG for the amount of \$135,000 ("JG Loan").

17. The JG Loan was and is a Designated Loan.

18. Respondent failed to provide a written notice to JG within a reasonable time before origination stating whether or not flood insurance was available under the NFIA for the collateral securing the JG Loan in violation of section 339.9(c) of the FDIC's Rules and Regulations, 12 C.F.R. 339.9(c).

19. Respondent failed to obtain Flood Insurance on the JG Loan at the time of origination in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R.

339.3(a).

20. On or about May 16, 2011, Respondent made a loan to KDM in the amount of \$70,900 (“KDM Loan One”).

21. KDM Loan One was and is a Designated Loan.

22. Respondent failed to maintain an adequate amount of Flood Insurance during the term of KDM Loan One in violation of section 339.3(a) of the FDIC’s Rules and Regulations, 12 C.F.R. 339.3(a).

23. On or about March 11, 2013, Respondent made a loan to KDM in the amount of \$35,000 (“KDM Loan Two”).

24. KDM Loan Two was and is a Designated Loan.

25. Respondent failed to maintain an adequate amount of Flood Insurance during the term of KDM Loan Two in violation of section 339.3(a) of the FDIC’s Rules and Regulations, 12 C.F.R. 339.3(a).

26. On or about May 23, 2014, Respondent made a loan to KDM in the amount of \$27,000. (“KDM Loan Three”).

27. KDM Loan Three was and is a Designated Loan.

28. Respondent failed to obtain an adequate amount of Flood Insurance at origination of KDM Loan Three in violation of section 339.3(a) of the FDIC’s Rules and Regulations, 12 C.F.R. 339.3(a).

29. On or about July 14, 2014, Respondent made a loan to KDM in the amount of \$80,000 (“KDM Loan Four”).

30. KDM Loan Four was and is a Designated Loan.

31. Respondent failed to provide any written notice to KDM stating whether or not

flood insurance was available under the NFIA for the collateral securing KDM Loan Four in violation of section 339.9(a) of the FDIC's Rules and Regulations, 12 C.F.R. 339.9(a).

31. Respondent failed to obtain an adequate amount of Flood Insurance at origination of KDM Loan Four at the time of origination in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. 339.3(a).

32. One or about March 10, 2011, Respondent made a loan to FCI in the amount of \$87,500 ("FCI Loan One").

33. FCI Loan One was and is a Designated Loan.

34. The Respondent was provided notice of the discontinuance of flood insurance for FCI Loan One on or about October 10, 2013, but failed to provide the borrower with notice of the lapse until on or about December 5, 2013, in violation of the force placement requirements of section 339.7.

35. On or about April 29, 2014, Respondent made a loan to FCI in the amount of \$10,000 ("FCI Loan Two").

36. FCI Loan Two was and is a Designated Loan.

37. The Respondent was provided notice of the discontinuance of flood insurance for FCI Two on or about December 18, 2014, but failed to provide the borrower with notice of the lapse until on or about July 24, 2015, and failed to force place the necessary insurance until on or about October 2015 in violation of the force placement requirements of section 339.7.

38. On or about December 20, 2013, Respondent made a loan to WS for the amount of \$65,484 ("WS Loan").

39. The WS Loan was and is a Designated Loan.

40. Respondent failed to provide any written notice to WS stating whether or not

flood insurance was available under the NFIA for the collateral securing the WS Loan in violation of section 339.9(a) of the FDIC's Rules and Regulations, 12 C.F.R. 339.9(a).

41. The violations of Part 339 set forth above constitute a pattern or practice of committing violations by Respondent pursuant to section 102 of the FDPA, 42 U.S.C. § 4012a(f)(2)(A)(1).

42. By virtue of the facts stated above in Paragraphs 1 through 41 inclusive, the FDIC concludes that Respondent has engaged in a pattern or practice of violating sections 339.3(a) and (c), 339.7 and 339.9 of Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 339.3(a), 339.3(c), 339.7 and 339.9, a civil money penalty should be assessed against the Respondent under pursuant to section 102 of the FDPA, 42 U.S.C. § 4012a and section 8(i) of the Act, 12 U.S.C. § 1818(i).

ORDER TO PAY

By reason of the violations set forth in the NOTICE OF ASSESSMENT, the FDIC has concluded that a civil money penalty should be assessed against the Respondent pursuant to section 102 of the FDPA, 42 U.S.C. 4012a, and section 8(i) of the Act, 12 U.S.C. § 1818(i) . After taking into account the appropriateness of the penalties with respect to the size of financial resources and the good faith of the Respondent, the gravity of the violations, the history of previous violations, and such other matters as justice may require, it is:

ORDERED, that by reason of the violations set forth in Paragraphs 1 through 42 hereof, a penalty of \$6,300 be, and hereby is, assessed against Respondent pursuant to section 102 of the FDPA, 42 U.S.C. § 4012 and section 8(i) of the Act, 12 U.S.C. § 1818(i).

FURTHER ORDERED, that the effective date of the ORDER TO PAY is stayed until twenty (20) calendar days after the date of service of the NOTICE OF ASSESSMENT and ORDER TO PAY.

**ACTION REQUIRED BY EACH RESPONDENT TO CONTEST THE
NOTICE OF ASSESSMENT AND ORDER TO PAY**

Under 12 U.S.C. § 1818(i)(2)(H) and 12 C.F.R. § 308.19, if a Respondent wants to contest the NOTICE OF ASSESSMENT and ORDER TO PAY, within twenty (20) calendar days of service of this NOTICE OF ASSESSMENT and ORDER TO PAY, that Respondent must file **both**:

(1) a Request for Hearing on the NOTICE OF ASSESSMENT; **and**

(2) an Answer to the allegations in the NOTICE OF ASSESSMENT.

Filing an Answer to the allegations in the NOTICE OF ASSESSMENT, without filing a clear and unambiguous Request for a Hearing on the NOTICE OF ASSESSMENT, WILL NOT preserve such Respondent's right to contest the NOTICE OF ASSESSMENT and ORDER TO PAY.

If a Respondent fails to file a Request for Hearing on the NOTICE OF ASSESSMENT within twenty (20) calendar days of service, the penalty assessed against that Respondent pursuant to the ORDER TO PAY will be final and unappealable under 12 U.S.C. § 1818(i)(2)(E)(ii) and 12 C.F.R. § 308.19(c)(2), and shall be paid within sixty (60) calendar days of the date of service of the NOTICE OF ASSESSMENT.

PLACE AND MANNER OF FILING

All documents filed in these proceedings must be filed with the Office of Financial Institution Adjudication (OFIA), ofia@fdic.gov, 3501 N. Fairfax Drive, Suite VS-D8116, Arlington, VA, 22226-3500, in the manner specified under 12 C.F.R. §308.10. Also, copies of

all documents filed in these proceedings shall be served upon: the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Room F-1058, Washington, D.C. 20429; James Anderson, Assistant General Counsel, and Marguerite Sagatelian, Senior Counsel, Consumer Section, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429; and Timothy Divis, Regional Counsel, Federal Deposit Insurance Corporation, 300 South Riverside Plaza, 1700, Chicago, Illinois, 60606.

OPPORTUNITY FOR HEARING

Any hearing requested will be held before an Administrative Law Judge assigned by OFIA under 5 U.S.C. § 3105. The hearing will be open to the public, unless the FDIC shall determine that an open hearing would be contrary to the public interest, and in all respects will be conducted in compliance with the provisions 12 U.S.C. §§ 1811-1831aa and 12 C.F.R. Part 308. The hearing will be held in Madison, Wisconsin within sixty (60) calendar days from the date of service of this NOTICE OF ASSESSMENT, or at such time, date or place designated by the Administrative Law Judge appointed to hear this matter.

If Respondent timely files (1) a Request for Hearing on the NOTICE OF ASSESSMENT and (2) an Answer to the allegations in the NOTICE OF ASSESSMENT, evidence on the allegations shall also be taken at the hearing to determine whether the ORDER TO PAY assessed against Respondent should be sustained.

Pursuant to delegated authority.

Dated at Chicago, Illinois, this _9th_ day of __February__, 2017.

_____/s/_____
M. Anthony Lowe
Regional Director