

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

	)	
	)	
In the Matter of	)	
	)	
DOUGLAS E. FRENCH , individually,	)	ORDER OF PROHIBITION
and as an institution-affiliated	)	FROM FURTHER
party of	)	PARTICIPATION AND
	)	ORDER TO PAY
SILVER STATE BANK	)	
HENDERSON, NEVADA	)	FDIC-10-894e
	)	FDIC-10-895k
(IN RECEIVERSHIP)	)	
	)	
	)	

Douglas E. French (“Respondent”) has been advised of the right to receive a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION and a NOTICE OF ASSESSMENT OF A CIVIL MONEY PENALTY issued by the Federal Deposit Insurance Corporation (“FDIC”) detailing the unsafe or unsound banking practices and/or breaches of fiduciary duty for which an ORDER OF PROHIBITION FROM FURTHER PARTICIPATION and an ORDER TO PAY (“ORDER”) may issue, and has been further advised of the right to a hearing on the alleged charges under sections 8(e) and 8(i) of the Federal Deposit Insurance Act (“Act”), 12 U.S.C. §§ 1818(e) and 1818(i), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. Having waived those rights, Respondent entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF PROHIBITION FROM FURTHER PARTICIPATION and AN ORDER TO PAY A CIVIL MONEY PENALTY (“CONSENT AGREEMENT”) with a representative of the Legal Division of the FDIC, whereby solely for the purpose of this

proceeding and without admitting or denying any unsafe or unsound banking practices and/or breaches of fiduciary duty, Respondent consented to the issuance of the ORDER by the FDIC.

The FDIC considered the matter and determined it had reason to believe that:

(a) Respondent has engaged or participated in unsafe or unsound banking practices and/or breaches of fiduciary duty as an institution-affiliated party of Silver State Bank, Henderson, Nevada (“Bank”);

(b) By reason of such practices and/or breaches of fiduciary duty, the Bank has suffered financial loss or other damage, and Respondent received financial gain or other benefit; and

(c) Such practices and/or breaches of fiduciary duty demonstrated Respondent’s willful and/or continuing disregard for the safety and soundness of the Bank.

The FDIC further determined that such practices and/or breaches of fiduciary duty demonstrated Respondent's unfitness to serve as a director, officer, person participating in the conduct of the affairs or as an institution-affiliated party of any insured depository institution, or any other agency or organization enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A).

The FDIC further considered the matter and determined it had reason to believe that:

(a) Respondent has engaged in unsafe or unsound practices in conducting the affairs of the Bank and/or engaged in breaches of fiduciary duty at the Bank; and

(b) such practices and/or breaches:

- (i) were part of a pattern of misconduct;
- (ii) caused or were likely to cause more than a minimal loss to the Bank; or
- (iii) resulted in pecuniary gain or other benefit to Respondent.

The FDIC further determined, after taking into account the financial resources and good faith of Respondent, the gravity of the practices and/or breaches by Respondent, and the history of previous practices and/or breaches by Respondent, that a civil money penalty was appropriate under section 8(i)(2)(B) of the Act, 12 U.S.C. § 1818(i)(2)(B).

Based on the above, the FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER OF PROHIBITION FROM FURTHER PARTICIPATION

1. Respondent is hereby prohibited, without the prior written approval of the FDIC and the appropriate Federal financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the Act, 12 U.S.C. § 1818(e)(7)(D), from:
 - (a) participating in any manner in the conduct of the affairs of any financial institution or organization enumerated in section 8(e)(7)(A) of the Act, 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 section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A);
 - (c) violating any voting agreement previously approved by the

appropriate Federal banking agency; or

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

ORDER TO PAY

2. Respondent is hereby assessed a civil money penalty of \$35,000. Respondent shall pay the civil money penalty to the Treasury of the United States. Respondent is prohibited from seeking or accepting indemnification from any insured depository institution for the civil money penalty assessed and paid in this matter.

This ORDER shall become effective upon its issuance by the FDIC. The provisions of the ORDER will remain effective and enforceable except to the extent that, and until such time as, any provision of the ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

Pursuant to delegated authority.

Dated this 4th day of November, 2011.

/s/
Serena L. Owens
Associate Director
Division of Supervision
and Consumer Protection