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[¶11,118] In the Matter of Alan D. Kluis, First Prairie Bank, Blooming Prairie, Minnesota; Bank of Elbow Lake, Elbow Lake, Minnesota; State Bank of Wendell, Wendell, Minnesota, Docket Nos. FDIC-93-42e and 93-43k (1-17-95).

Respondent removed from office and prohibited from participating in the conduct of affairs of, or exercising voting rights in, any insured institution without the prior consent of the FDIC and ordered to pay civil money penalty.

- [\[.1\] Removal—As Officer and Director](#)
- [\[.2\] Prohibition—Participation in Conduct of Affairs](#)
- [\[.3\] Prohibition—Exercise of Voting Rights](#)
- [\[.4\] Civil Money Penalty—Indemnification Prohibited](#)

**In the Matter of
ALAN D. KLUIS,
individually, and as an
institution-affiliated party of
FIRST PRAIRIE BANK
BLOOMING PRAIRIE, MINNESOTA,
(Insured State Nonmember Bank)
(Now merged into American Bank
Mankato, Mankato, Minnesota);
BANK OF ELBOW LAKE
ELBOW LAKE, MINNESOTA;
and
STATE BANK OF WENDELL
WENDELL, MINNESOTA
(Insured State Nonmember Banks)
ORDER OF REMOVAL FROM
OFFICE
AND PROHIBITION FROM
FURTHER
PARTICIPATION AND
AMENDED ORDER TO PAY
FDIC-93-42e
FDIC-93-43k**

Alan D. Kluis ("Respondent") has received a NOTICE OF INTENTION TO REMOVE FROM OFFICE AND/OR PROHIBIT FROM FURTHER PARTICIPATION AND NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTIES, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY, AND NOTICE OF HEARING ("NOTICE") issued by the Federal Deposit Insurance Corporation ("FDIC") detailing the alleged violations, unsafe or unsound banking practices, and/or breaches of fiduciary duty and assessing a civil money penalty against Respondent in the amount of \$25,000 for which an ORDER OF REMOVAL FROM OFFICE AND PROHIBITION FROM FURTHER PARTICIPATION AND ORDER TO PAY may issue, and has been further advised of the right to a hearing on the alleged charges under sections 8(e), 8(i) and 8(j) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. §§ 1818(e), 1818(i), and 1828(j) (Supp. I 1989), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. Having waived those rights, the Respondent entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF REMOVAL FROM OFFICE AND PROHIBITION FROM FURTHER PARTICIPATION AND AMENDED

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ORDER TO PAY ("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 alleged violations, including violations for which civil money penalties may be assessed, unsafe or unsound banking practices, and/or any breaches of fiduciary duty, Respondent consented to the issuance of an ORDER OF REMOVAL FROM OFFICE AND PROHIBITION FROM FURTHER PARTICIPATION AND AMENDED ORDER TO PAY ("ORDER") by the FDIC and consented and agreed to pay a civil money

penalty in the amount of \$5,000 to the United States Treasury.

The FDIC considered the matter, accepted the CONSENT AGREEMENT, and issued the following:

ORDER OF REMOVAL FROM OFFICE AND PROHIBITION FROM FURTHER PARTICIPATION

[.1] Alan D. Kluis is hereby removed from office as an officer and director of Grant County Bancshares, Inc., Wendell, Minnesota, and, 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), prohibited from:

[.2] (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);

[.3] (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.

AMENDED ORDER TO PAY

[.4] IT IS HEREBY ORDERED that the ORDER TO PAY issued to Respondent is hereby amended, and Alan D. Kluis shall be assessed and shall pay a civil money penalty in the amount of \$5,000 to the Treasury of the United States on the effective date hereof.

IT IS FURTHER ORDERED that Respondent is prohibited from seeking or accepting indemnification from any insured depository institution (i) for the civil money penalty assessed and paid in this matter, or (ii) for any expenses, including attorneys' fees and disbursements, incurred by Respondent in connection with this matter.

This ORDER will become effective thirty (30) days after its issuance. The provisions of this ORDER will remain effective and enforceable 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.

Dated at Washington, D.C., this 17th day of January, 1995.

Pursuant to delegated authority.