

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

	)	
In the Matter of	)	
	)	
HIGHLAND BANK	)	ORDER TO PAY
SAINT MICHAEL, MINNESOTA	)	CIVIL MONEY PENALTY
	)	
(Insured State Nonmember Bank)	)	FDIC-10-606k
	)	

Highland Bank, Saint Michael, Minnesota ("Bank"), has been advised of its right to receive a NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, 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 violations for which a civil money penalty may be assessed against the Bank pursuant to section 8(i)(2) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(i)(2), section 305 of the Home Mortgage Disclosure Act ("HMDA"), 12 U.S.C. § 2804, and section 203.6 of Regulation C of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 203.6, and has been further advised of its right to a hearing on the charges under section 8(i)(2)(H) of the Act, 12 U.S.C. § 1818(i), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308.

Having waived those rights, the Bank entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY ("CONSENT AGREEMENT") with a representative of the Legal Division of the FDIC, whereby the Bank, solely for the purpose of this proceeding and without admitting or denying any violations of law and/or regulations for which civil money penalties may be assessed, consented to the issuance of an ORDER TO PAY CIVIL MONEY PENALTY by the FDIC and agreed to pay a civil money penalty in the amount of \$13,000 to the Treasury of the United States.

After taking into account the CONSENT AGREEMENT, the appropriateness of the penalty with respect to the financial resources and good faith of the Bank, the gravity of the violations by the Bank, the history of previous violations by the Bank, and such other matters as justice may require, the FDIC considered the matter and determined it had reason to believe that the Bank engaged or participated in violations of law or regulation that were cited in the May 17, 2010 Report of Examination, for which it is appropriate to assess a civil money penalty of \$13,000 against the Bank.

The FDIC, therefore, accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY CIVIL MONEY PENALTY

IT IS HEREBY ORDERED that the Bank be, and hereby is,
assessed a civil money penalty of \$13,000 pursuant to section
8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2), the receipt of which
is hereby acknowledged.

Pursuant to delegated authority.

Dated this 2nd day of December, 2010.

/s/_____
Robert J. Carmona
Deputy Regional Director
Kansas City Regional Office