

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of

**THE STATE BANK OF KANSAS
FREDONIA, KANSAS**

(Insured State Nonmember Bank)

**ORDER TO PAY
CIVIL MONEY PENALTY**

FDIC-09-319k

The State Bank of Kansas, Fredonia, Kansas ("Respondent") and a representative of the Legal Division of the Federal Deposit Insurance Corporation ("FDIC") executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY ("CONSENT AGREEMENT") whereby Respondent, solely for the purpose of this proceeding and without admitting or denying any violations of law or unsafe or unsound practices for which civil money penalties may be assessed, consented to the issuance of an ORDER TO PAY CIVIL MONEY PENALTY ("ORDER TO PAY") by the FDIC and agreed to pay a civil money penalty in the amount of \$25,000 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 Respondent, the gravity of Respondent's misconduct, the history of previous misconduct by

Respondent or lack thereof, and such other matters as justice requires, the FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY CIVIL MONEY PENALTY

IT IS HEREBY ORDERED that by reason of the violations of law and unsafe or unsound practices set forth in paragraph 3 of the CONSENT AGREEMENT, Respondent is assessed and shall pay a civil money penalty in the amount of \$25,000 to the Treasury of the United States, the receipt of which has been previously acknowledged.

This ORDER shall be effective immediately upon its issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this 18th day of December, 2009.

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