

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

	)	
In the Matter of	)	
	)	
LEE C. PETERSON,	)	
individually, and as an	)	ORDER OF PROHIBITION FROM
institution-affiliated party	)	FURTHER PARTICIPATION
of	)	
	)	FDIC-10-869e
FIRST MIDWEST BANK	)	
CENTERVILLE, SOUTH DAKOTA	)	
	)	
(Insured State Nonmember Bank)	)	
	)	

Lee C. Peterson ("Respondent"), has been advised of the right to receive a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION ("NOTICE") issued by the Federal Deposit Insurance Corporation ("FDIC"), detailing the alleged violations of law and regulations, unsafe or unsound banking practices, and breaches of fiduciary duty for which an ORDER OF PROHIBITION FROM FURTHER PARTICIPATION ("ORDER") may be issued, and has been further advised of the right to a hearing on the alleged charges under section 8(h) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(h), and the FDIC 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 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 violations of law or regulations, unsafe or unsound banking practices, or breaches of fiduciary duty, Respondent consented to the issuance of an ORDER by the FDIC.

Upon due consideration, the FDIC determined it had reason to believe that:

(a) Respondent engaged in misconduct including, but not limited to, violating Regulation O, 12 C.F.R. § 215.5(c)(4) and (d), violating the South Dakota lending limit, SD ST 51A-12-2, making nominee loans, falsifying bank records, making material misrepresentations to the Bank, failing to disclose material facts to the Bank, extending credit without obtaining the requisite loan documents, extending credit in excess of the amount authorized, and engaging in self-dealing.

The FDIC further determined that such violations, practices, and breaches of fiduciary duty demonstrate the Respondent's unfitness to serve as a director, officer, person participating in the conduct of the affairs, or as an institution-affiliated party of the Bank, of any other insured depository institution, or of 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, therefore, accepts the CONSENT AGREEMENT and issues the following:

ORDER OF PROHIBITION FROM FURTHER PARTICIPATION

1. Unless Respondent receives 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), Respondent is prohibited 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.

2. This ORDER will become effective immediately upon 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.

Pursuant to delegated authority.

Dated at Washington, D.C., this 1st day of August,
2011.

/s/

Serena L. Owens
Associate Director
Division of Risk Management
Supervision

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

	)	
In the Matter of	)	
	)	
LEE C. PETERSON,	)	
individually, and as an	)	ORDER TO PAY
institution-affiliated party	)	
of	)	FDIC-10-870k
	)	
FIRST MIDWEST BANK	)	
CENTERVILLE, SOUTH DAKOTA	)	
	)	
(Insured State Nonmember Bank)	)	
	)	

Lee C. Peterson ("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 OF PROHIBITION FROM FURTHER PARTICIPATION and 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 and regulations, unsafe or unsound practices, or breaches of fiduciary duty, 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 \$35,000 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 Respondent, the gravity of the violations by Respondent, the history of previous violations or lack thereof by Respondent, 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 misconduct referenced in paragraph 2 of the CONSENT AGREEMENT, Respondent is assessed and shall pay a civil money penalty in the amount of \$35,000 to the Treasury of the United States, the receipt of which has been previously acknowledged.

IT IS FURTHER ORDERED that 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 be effective immediately upon its issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this 1st day of August, 2011.

/s/_____
Serena L. Owens
Associate Director
Division of Risk Management
Supervision