

{{10-31-99 p.C-4373}}

[11,422] **In the Matter of Steven D. Pedro, First State Bank, Grandview, Texas, Docket No. FDIC 97-016g (6-19-97)**

Respondent prohibited from participating in the conduct of affairs of, or exercising voting rights in, any insured institution without the prior written approval of the FDIC. Also, the respondent may request in writing an opportunity to appear before the FDIC, pursuant to section 8(g)(3) of the Federal Deposit Insurance Act; if respondent does not file a request for a hearing, this order will be final and unreviewable. If the respondent does request a hearing, the FDIC will fix a time and place for a hearing not later than 30 days from receipt of the request.

[\[.1\]](#) **Prohibition—Participation in Conduct of Affairs**

[\[.2\]](#) **Prohibition—Exercise of Voting Rights**

[\[.3\]](#) **Notice of Hearing**

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**In the Matter of
STEVEN D. PEDRO, individually, and
as an institution-affiliated party of
FIRST STATE BANK
GRANDVIEW, TEXAS
(Insured State Nonmember Bank)
ORDER OF PROHIBITION FROM
FURTHER PARTICIPATION,
FINDINGS OF FACT AND
CONCLUSIONS OF LAW, AND
NOTICE OF HEARING
FDIC-96-016G**

The Federal Deposit Insurance Corporation ("FDIC") is of the opinion that Steven D. Pedro ("Respondent"), an institution-affiliated party of First State Bank, Grandview, Texas ("Bank"), has been convicted of a criminal violation of 31 U.S.C. § 5324, and that section 8(g)(1)(C)(ii) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(g)(1)(C)(ii), requires the FDIC, as the appropriate Federal banking agency for the Bank, to issue and serve upon the Respondent an order prohibiting the Respondent from further participation in any manner in the conduct of the affairs of the Bank without the prior written consent of the FDIC. Wherefore, the FDIC hereby issues this ORDER OF PROHIBITION FROM FURTHER PARTICIPATION, FINDINGS OF FACT AND CONCLUSIONS OF LAW, AND NOTICE OF HEARING ("ORDER"), pursuant to the provisions of sections 8(g)(1) and (g)(3) of the Act, 12 U.S.C. §§ 1818(g)(1) and (g)(3). In support thereof, the FDIC finds and concludes as follows:

*FINDINGS OF FACT AND
CONCLUSIONS OF LAW*

1. The Bank is a corporation existing and doing business under the laws of the State of Texas, having its principal place of business at Grandview, Texas. The Bank is and was, at all times pertinent to this proceeding, an insured State nonmember bank subject to the Act, 12 U.S.C. §§ 1811-1831u, the Rules and Regulations of the FDIC, 12 C.F.R. Chapter III, and the laws of the State of Texas.

2. Respondent was, at all times pertinent to this proceeding, the chairman of the board and an institution-affiliated party of the Bank.

3. The FDIC has jurisdiction over the Bank, the Respondent, and the subject matter of this proceeding.

4. On February 18, 1997, in the United States District Court, Western District of Louisiana, Lafayette-Opelousas Division, Lafayette, Louisiana, Case Number 6:97CR60005-001, the Respondent was arraigned for a criminal violation of 31 U.S.C. §§ 5324(a)(3) and (c)(2) — Structuring Bank Transactions in Order to Avoid Reporting Requirements. The Respondent waived the indictment and entered a plea of guilty to Count 1 of the one-count Bill of Information, which was accepted by the Court and judgment rendered.

5. By virtue of the facts stated above, the FDIC concludes that an ORDER must issue pursuant to section 8(g)(1)(C)(ii) of the Act, 12 U.S.C. § 1818(g)(1)(C)(ii), prohibiting Respondent from further participation in the conduct of the affairs of the Bank, and any other insured depository institution, agency

or organization enumerated in section 8(e)(7) of the Act, 12 U.S.C. § 1818(e)(7), without the prior written consent of the FDIC and any other appropriate Federal financial institutions regulatory agency.

PROHIBITION ORDER

[.1] Based upon the above findings, it is ORDERED, that Respondent Steven D. Pedro be, and hereby is, without the prior written consent of the FDIC and any other 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 further participation in any manner in the conduct of the affairs of the Bank, and may not continue or commence to hold office in, or participate in any manner in, the conduct of the affairs of:

- (a) any insured depository institution;
- (b) any institution treated as an insured bank;
- (c) any insured credit union under the Federal Credit Union Act;
- (d) any institution chartered under the Farm Credit Act of 1971; and
- (e) any appropriate Federal depository institution regulatory agency;

as provided in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A).

[.2] FURTHER ORDERED, that within thirty (30) days after the date of receipt of the ORDER, the Respondent may request in writing an opportunity to appear before the FDIC, pursuant to section 8(g)(3) of the Act, 12 U.S.C. § 1818(g)(3). If the Respondent fails to file a request for a hearing, this ORDER shall be final and unreviewable.

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NOTICE OF HEARING

[.3] FURTHER ORDERED, that if the Respondent requests a hearing, the FDIC will fix a time and place for a hearing not later than 30 days from receipt of the request. At any hearing, the Respondent may appear, personally or through counsel, to submit written materials and oral argument. Oral testimony may be taken at the discretion of the FDIC, as provided in section 8(g)(3) of the Act, 12 U.S.C. § 1818(g)(3).

An original and one copy of all papers filed in this proceeding shall be served upon the FDIC's Office of the Executive Secretary, 550 17th Street, N.W., Washington, D.C. 20429. Also, copies of all papers filed in this proceeding shall be served upon Arthur L. Beamon, Associate General Counsel, Compliance and Enforcement, 550 17th Street (H-5018), N.W., Washington, D.C. 20429, and upon Judith K. Sinclair, Regional Counsel (Supervision), Federal Deposit Insurance Corporation, 1910 Pacific Avenue, Suite 1200, Dallas, Texas 75201.

This ORDER shall become effective on the date of service thereof.

The provisions of the ORDER shall 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 19th day of June, 1997.