X)

{{4-1-90 p.C-263}}

[¶10,051A**] In the Matter of Bernerd J. Harms, Docket No. FDIC-90-5e (2-23-90).**

Director and officer prohibited from further participation in affairs of Bank and from participation in the affairs of, or the exercise of voting rights in, any insured bank.

[.1] Prohibition, Removal, or Suspension—Prohibition—Participation in Affairs of Bank
[.2] Prohibition, Removal, or Suspension—Prohibition—Participation in Affairs of Any Insured Bank
[.3] Prohibition, Removal, or Suspension—Prohibition—Exercise of Voting Rights

{{4-1-90 p.C-264}}

In the Matter of
BERNERD J. HARMS,
Individually, and as a director, officer and
person participating in the conduct of
the affairs of
PEOPLES SAVINGS BANK
WELLSBURG, IOWA
(Insured State Nonmember Bank)
ORDER OF PROHIBITION FROM
FURTHER PARTICIPATION

Bernerd J. Harms, ("Respondent"), having been advised of his right to a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION ("NOTICE") issued by the Federal Deposit Insurance Corporation ("FDIC") detailing the unsafe or unsound banking practices, violations of law, rule or regulation and breaches of fiduciary duty demonstrating willful or continuing disregard for safety and soundness alleged to have been committed by Respondent individually and in his capacity as a director, officer and person participating in the conduct of the affairs of Peoples Savings Bank, Wellsburg, Iowa ("Bank"), resulting in substantial financial loss or other damage to the Bank and serious prejudice to the interests of the Bank's depositors, and having been further advised of his right to a hearing on the alleged charges under section 8(e) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. §1818(e), and Part 308 of the FDIC's Rules of Practice and Procedures, 12 C.F.R. Part 308, waived those rights, and entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF PROHIBITION FROM FURTHER PARTICIPATION ("CONSENT AGREEMENT") with a representative of the Legal Division of the FDIC, dated February 9, 1989, whereby solely for the purpose of this proceeding and without admitting or denying any unsafe or unsound banking practices, any violations of law, rule or regulation, and any breaches of fiduciary duty, Respondent consented to the issuance of an ORDER OF PROHIBITION FROM FURTHER PARTICIPATION ("ORDER") BY THE FDIC.

The FDIC considered the matter and determined it had reason to believe that:

> (i) Respondent had engaged or participated in unsafe or unsound banking practices, violations of law, rule or regulation and breaches of his fiduciary duty as a director and officer of the Bank;
> (ii) The Bank suffered substantial financial loss or other damage and the interests of the Bank's depositors were seriously prejudiced by reason of such practices, violations, and breaches of fiduciary duty; and
> (iii) Such practices, violations, and breaches of fiduciary duty demonstrated Respondent's willful or continuing disregard for the safety or soundness of the Bank.

The FDIC further determined that such practices, violations and breaches of fiduciary duty demonstrated Respondent's unfitness to continue to serve as a director and officer of the Bank, or as a director or officer or person participating in the conduct of the affairs of any bank insured by the FDIC. The FDIC, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER OF PROHIBITION FROM FURTHER PARTICIPATION

[.1**]** 1. IT IS HEREBY ORDERED, that Bernerd J. Harms is hereby prohibited from participating in any manner in the conduct of the affairs of the Bank, or directly or indirectly soliciting or procuring, or transferring or attempting to transfer, or voting or attempting to vote, any proxies, consents or authorizations in respect of any voting rights in the Bank.

[.2**]** 2. FURTHER ORDERED, that Bernerd J. Harms is hereby prohibited from serving or acting as director, officer, or employee of, or participating in any manner in the conduct of the affairs of, any Bank insured by the FDIC without the prior written approval of the appropriate Federal banking agency as that term is defined in section 3(q) of the Act, 12 U.S.C. §1813(q).

[.3**]** 3. FURTHER ORDERED, that Bernerd J. Harms is hereby prohibited from voting for a director of any bank insured by the FDIC without the prior written approval of the appropriate banking agency as that term is defined in section 3(q) of the Act, 12 U.S.C. §1813(q).

This ORDER shall become effective ten (10) days after the date of its issuance.

The provisions of this 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.

{{5-31-94 p.C-264.1}}

Dated this 23rd day of February, 1990.

Pursuant to delegated authority.