

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

	)	NOTICE OF ASSESSMENT OF
In the Matter of	)	CIVIL MONEY PENALTY
	)	FINDINGS OF FACT AND
PARK BANK,	)	CONCLUSIONS OF LAW,
HOLMEN, WISCONSIN	)	ORDER TO PAY, AND
	)	NOTICE OF HEARING
(INSURED STATE NONMEMBER BANK)	)	
	)	FDIC-07-042k HMDA
	)	FDIC-07-196k FLOOD

NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY

The Federal Deposit Insurance Corporation ("FDIC") is of the opinion that PARK BANK, HOLMEN, WISCONSIN, ("Respondent") has engaged in a pattern or practice of committing violations of Part 339 of the FDIC's Rules and Regulations, 12 C.F.R.

Part 339, which implements section 102 of the Flood Disaster Protection Act of 1973 ("FDPA"), 42 U.S.C. § 4012a, and the Respondent has violated Regulation C of the Board of Governors of the Federal Reserve System ("Regulation C"), 12 C.F.R.

§§ 203.1-203.6, which implements the Home Mortgage Disclosure Act ("HMDA"), 12 U.S.C. §§ 2801-2810.

Wherefore, the FDIC hereby issues this NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY, AND NOTICE OF HEARING ("NOTICE OF ASSESSMENT"), pursuant to the provisions of sections 8(i) and of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(i), and the

FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. In support thereof, the FDIC finds and concludes as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Respondent is a corporation existing and doing business under the laws of the State of Wisconsin, having its principal place of business in Holmen, Wisconsin. The Respondent is and was, at all times pertinent to this proceeding, an insured State nonmember bank subject to the Act, 12 U.S.C.

§§ 1811-1831aa.

2. At all times pertinent to this proceeding the Respondent is and was an "insured depository institution" as that term is defined in section 3(c) of the Act, 12 U.S.C. § 1813(c).

3. At all times pertinent to this proceeding the Respondent is and was a "regulated lending institution" as that term is defined in section 3(a)(10) of the FDPA, 42 U.S.C.

§ 4003(a)(10).

4. At all times pertinent to this proceeding the FDIC is and was the "appropriate Federal banking agency" to maintain this enforcement action pursuant to section 3(q)(3) of the Act, 12 U.S.C. § 1813(q)(3), and section 305 of HMDA, 12 U.S.C. § 2804.

5. At all times pertinent to this proceeding the FDIC is and was the "appropriate Federal entity for lending regulation" for the purposes of enforcing section 102 of the FDPA, 42 U.S.C. § 4012a, against state nonmember banks.

6. The Respondent is a "financial institution" as defined

in section 203.2(e) of Regulation C, 12 C.F.R. § 203.2(e).

7. The FDIC has jurisdiction over the Respondent and the subject matter of this proceeding.

8. On or about June 10, 2005, the Respondent made a loan to _____ in the amount of \$100,000.

9. The _____ loan was and is secured by a building that is on land in the flood plain within a community having at least a one percent chance of flooding in any given year, as designated by the Director of the Federal Emergency Management Agency ("FEMA") for which flood insurance is available under the National Flood Insurance Act of 1968 ("NFIA"), 42 U.S.C. §§ 4001-4029, hereafter "Designated Loan".

10. The Respondent failed to maintain an adequate amount of Flood Insurance on the _____ loan in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. § 339.3(a).

11. On or about September 30, 2005, the Respondent made a loan to _____ in the amount of \$108,900.

12. The _____ loan was and is a Designated Loan.

13. The Respondent failed to maintain an adequate amount of Flood Insurance on the _____ loan in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. § 339.3(a).

14. The Respondent failed to provide a written notice to _____ within a reasonable time stating whether or not flood insurance was available under the NFIA for the collateral

securing his loan in violation of section 339.9 of the FDIC's Rules and Regulations, 12 C.F.R. § 339.9.

15. On or about March 1, 2006, the Respondent made a loan to _____ in the amount of \$80,228.

16. The _____ loan was and is a Designated Loan.

17. The Respondent failed to maintain Flood Insurance on the _____ loan for the term of the loan in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. § 339.3(a).

18. The Respondent failed to provide a written notice to the _____ stating whether or not flood insurance was available under the NFIA for the collateral securing their loan in violation of section 339.9 of the FDIC's Rules and Regulations, 12 C.F.R. § 339.9.

19. On or about July 21, 2005, the Respondent made a loan to _____ in the amount of \$38,800.

20. The _____ loan was and is a Designated Loan.

21. The Respondent failed to obtain Flood Insurance on the _____ loan in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. § 339.3(a).

22. On or about May 17, 2006, the Respondent made a loan to _____ in the amount of \$47,175.

23. The _____ loan was and is a Designated Loan.

24. The Respondent failed to obtain Flood Insurance on the _____

loan in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. § 339.3(a).

25. The Respondent failed to provide a written notice to the stating whether or not flood insurance was available under the NFIA for the collateral securing their loan in violation of section 339.9 of the FDIC's Rules and Regulations, 12 C.F.R. § 339.9.

26. On or about February 2, 2006, the Respondent made a loan to in the amount of \$250,697.

27. The loan was and is a Designated Loan.

28. The Respondent failed to obtain Flood Insurance on the loan in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. § 339.3(a).

29. The Respondent failed to provide a written notice to stating whether or not flood insurance was available under the NFIA for the collateral securing the its loan in violation of section 339.9 of the FDIC's Rules and Regulations, 12 C.F.R. § 339.9.

30. On or about September 8, 2006, the Respondent made a loan to in the amount of \$220,000.

31. The loan was and is a Designated Loan.

32. The Respondent failed to obtain Flood Insurance on the loan in violation of section 339.3(a) of the FDIC's

Rules and Regulations, 12 C.F.R. § 339.3(a).

33. The Respondent failed to provide a written notice to the _____ stating whether or not flood insurance was available under the NFIA for the collateral securing their loan in violation of section 339.9 of the FDIC's Rules and Regulations, 12 C.F.R. § 339.9.

34. On or about December 22, 2004, the Respondent made a loan to _____ in the amount of \$88,800.

35. The _____ loan was and is a Designated Loan.

36. The Respondent failed to obtain Flood Insurance on the _____ loan in violation of section 339.3(a) of the FDIC's Rules and Regulations, 12 C.F.R. § 339.3(a).

37. The Respondent failed to provide a written notice to _____ stating whether or not flood insurance was available under the NFIA for the collateral securing his loan in violation of section 339.9 of the FDIC's Rules and Regulations, 12 C.F.R. § 339.9.

38. On or about September 19, 2005, the Respondent made a loan to _____ in the amount of \$100,000.

39. The _____ loan was and is a Designated Loan.

40. The Respondent failed to provide a written notice to the _____ stating whether or not flood insurance was available under the NFIA for the collateral securing their loan in violation of section 339.9 of the FDIC's Rules and Regulations,

12 C.F.R. § 339.9.

41. The violations of Part 339 set forth above constitute a pattern or practice of committing violations by the Respondent.

42. Prior to March 31, 2005, the Respondent submitted a Loan Application Register to the Board of Governors of the Federal Reserve reporting loan data for calendar year 2004 pursuant to Section 203.4 of Regulation C of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 203.4.

43. The data contained in the Loan Application Register filed by the Respondent for 2004 contained numerous errors or omissions.

44. The Respondent failed to maintain procedures reasonably adapted to avoid such errors.

45. Prior to March 31, 2006, the Respondent submitted a Loan Application Register to the Board of Governors of the Federal Reserve reporting loan data for calendar year 2005 pursuant to Section 203.4 of Regulation C of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 203.4.

46. The data contained in the Loan Application Register filed by Respondent for 2005 contained numerous errors or omissions.

47. The Respondent failed to maintain procedures reasonably adapted to avoid such errors.

48. By virtue of the facts stated above in Paragraphs 1 through 47 inclusive, the FDIC concludes that the Respondent

violated sections 339.3(a) and 339.9 of Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 339.3(a) and 339.9, and section 203.4 of Regulation C of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 203.4, and that a civil money penalty should be assessed against the Respondent under section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2), section 102 of the FDPA, 42 U.S.C. § 4012a, section 305 of 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. § 203.6.

50. As used herein, pursuant to section 3(v) of the Act, 12 U.S.C. § 1813(v), the term "violation" includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

ORDER TO PAY

By reason of the violations set forth in the NOTICE OF ASSESSMENT, the FDIC has concluded that a civil money penalty should be assessed against the Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2). After taking into account the appropriateness of the penalties with respect to the size of financial resources and the good faith of the Respondent, the gravity of the violations, the history of previous violations, and such other matters as justice may require, it is:

ORDERED, that by reason of the violations set forth in paragraphs 1 through 48 hereof, a penalty of \$2,250 be, and

hereby is, assessed against the Respondent pursuant to section 102 of the FDPA, 42 U.S.C. § 4012, and 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2), and a penalty of \$4,000 be, and hereby is, assessed against the Respondent pursuant to section 305 of HMDA, 12 U.S.C. § 2804, section 203.6 of Regulation C of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 203.6, and 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2), for a total penalty of \$6,250.

FURTHER ORDERED, that the effective date of this ORDER TO PAY be, and hereby is, stayed with respect to the Respondent until 20 days after the date of receipt of the NOTICE OF ASSESSMENT by the Respondent, during which time the Respondent may file an answer and request a hearing pursuant to section 8(i)(2)(H) of the Act, 12 U.S.C. § 1818(i)(2)(H), and section 308.19 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.19. An original and one copy of the answer, any such request for a hearing, and all other documents in this proceeding must be filed in writing with the Office of Financial Institution Adjudication, 3501 North Fairfax Drive, Suite VS-D8116, Arlington, VA 22226-3500, pursuant to section 308.10 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.10. Also, copies of all papers filed in this proceeding shall be served upon the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429; A. Timothy Dill, Senior Counsel, Enforcement Section,

Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429; and Timothy E. Divis, Regional Counsel, Federal Deposit Insurance Corporation, 500 W. Monroe Street, Chicago, Illinois 60661. If the Respondent fails to file a request for a hearing within 20 days from the date of receipt of this NOTICE OF ASSESSMENT, the penalty assessed against the Respondent, pursuant to this ORDER TO PAY, will be final and shall be paid within 60 days after the date of receipt of this NOTICE OF ASSESSMENT.

NOTICE OF HEARING

IT IS FURTHER ORDERED that, if the Respondent requests a hearing with respect to the charges alleged in the NOTICE OF ASSESSMENT, the hearing shall commence 60 days from the date of receipt of this NOTICE OF ASSESSMENT at Madison, Wisconsin, or at a time date and place to be determined by the Administrative Law Judge in consultation with the Parties.

The hearing will be public and shall be conducted in accordance with the provisions of the Act, 12 U.S.C. §§ 1811-1831aa, the Administrative Procedure Act, 5 U.S.C. §§ 551-559, and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. The hearing will be held before an Administrative Law Judge to be assigned by the Office of Financial Institution Adjudication pursuant to 5 U.S.C. § 3105. The exact time and location of the hearing will be determined by the Administrative Law Judge.

In the event the Respondent requests a hearing, Respondent shall also file an answer to the charges in this NOTICE OF ASSESSMENT within 20 days after the date of receipt of the NOTICE OF HEARING in accordance with section 308.19 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.19.

Failure of the Respondent to request a hearing shall render the civil money penalty assessed in this NOTICE OF ASSESSMENT final and unappealable pursuant to section 8(i)(E)(ii) of the Act, 12 U.S.C. § 1818(i)(E)(ii), and section 308.19(c)(2) of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.19(c)(2).

Pursuant to delegated authority.

Dated at Washington, D.C., this 15th day of July, 2008.

Scott D. Strockoz
Scott D. Strockoz
Acting Associate Director
Division of Supervision and
Consumer Protection