

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)

1st STATE BANK)
SAGINAW, MICHIGAN)

(Insured State Nonmember Bank))
_____)

ORDER TO PAY

FDIC-06-186k

1st STATE BANK, SAGINAW, MICHIGAN ("Respondent"), has been advised that a penalty under the Flood Disaster Protection Act "Flood Act"), as amended, 42 U.S.C. § 4012a(f), and Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339, may be issued only after notice detailing the violations and an opportunity for a hearing on the record. Having waived those rights, the 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 ("CONSENT AGREEMENT") dated January 25, 2007 whereby Respondent, solely for the purpose of this proceeding and without admitting or denying any violation of law for which a civil money penalty may be assessed, consented and agreed to pay a civil money penalty in the amount specified below 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 the Respondent, the history of previous violations by the Respondent. and such other matters as justice may require, the FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED, that by reason of the violations set forth in paragraph 3 of the CONSENT AGREEMENT, a penalty of \$1,750.00 be, and hereby is, assessed against the Respondent. The Respondent shall pay the civil money penalty to the Treasury of the United States.

This Order to Pay shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this 27 day of March, 2007.

April A. Breslaw
Acting Associate Director
Division of Supervision and
Consumer Protection