

WASHINGTON, D.C.

(Insured State Nonmember Bank)

FDIC-17-0011e

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

(a) The Respondent has engaged or participated in violations, unsafe or unsound banking practices, and breaches of fiduciary duty as an institution-affiliated party of BAY PORT STATE BANK, BAY PORT, MICHIGAN (“Bank”);

(b) By reason of such violations, practices and breaches of fiduciary duty, the Bank has suffered financial loss or other damage, the interests of the Bank’s depositors have been or could be prejudiced, and Respondent has received financial gain or other benefit; and

(c) Such violations, practices and breaches of fiduciary duty involve personal dishonesty on the part of the Respondent or demonstrate the Respondent’s willful and continuing disregard for the safety or soundness of the Bank.

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, any other insured depository institution, or 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, accepted the STIPULATION and issued the following:

ORDER OF PROHIBITION
FROM FURTHER PARTICIPATION

1. Respondent is hereby, without the 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), 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); and

(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 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 this 9th day of November, 2017.

/s/
Patricia A. Colohan
Associate Director
Division of Risk Management Supervision