

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____)	
In the Matter of)	
WILLIAM G. SHICK,)	NOTICE OF INTENTION TO
Individually, and as an)	PROHIBIT FROM FURTHER
Institution-affiliated party of)	PARTICIPATION, NOTICE OF
CASEY STATE BANK)	ASSESSMENT OF CIVIL
CASEY, ILLINOIS)	MONEY PENALTIES,
(Insured State Nonmember Bank))	FINDINGS OF FACT,
_____)	CONCLUSIONS OF LAW,
_____)	ORDER TO PAY, AND NOTICE
_____)	OF HEARING
_____)	FDIC-12-085e
_____)	FDIC-12-431k
_____)	
_____)	
_____)	
_____)	

The Federal Deposit Insurance Corporation ("FDIC") has determined that William G. Shick ("Respondent"), individually and as an institution-affiliated party of Casey State Bank, Casey, Illinois ("Bank"), has directly or indirectly participated or engaged in unsafe or unsound banking practices and breaches of his fiduciary duties; that as a result of the unsafe and unsound practices and breaches of fiduciary duties, the Respondent received financial gain or other benefit; and that such practices and breaches of fiduciary duty demonstrate the Respondent's personal dishonesty and demonstrate his willful disregard for the safety or soundness of the Bank.

The FDIC, therefore, instituted this proceeding for the purpose of determining whether appropriate orders should be issued against Respondent under the provisions of section 8(e) and 8(i)(2) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. §§ 1818(e) and 1818(i)(2), prohibiting Respondent from further participation in the conduct of the affairs of the Bank, and

any other insured depository institution or organization listed in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of the FDIC and such 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), and ordering him to pay civil money penalties.

The FDIC hereby issues this NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, pursuant to section 8(e) of the Act, 12 U.S.C. § 1818(e) and the FDIC's Rules of Practice and Procedure ("FDIC's Rules"), 12 C.F.R. Part 308; and NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW AND ORDER TO PAY, pursuant to section 8(i)(2)(B) of the Act, 12 U.S.C. § 1818(i)(2)(B), and the FDIC's Rules, 12 C.F.R. Part 308.

JURISDICTION AND BACKGROUND

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

2. At all times pertinent to this proceeding, Respondent was an officer and employee of the Bank.

3. At all times pertinent to this proceeding, Respondent was an "institution-affiliated party" as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and for purposes of sections 8(e)(7) and 8(i) of the Act, 12 U.S.C. §§ 1818(e)(7) and 1818(i).

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

FINDINGS OF FACT AND CONCLUSIONS OF LAW

5. At all times pertinent to this proceeding, Respondent served as a Senior Vice President and loan officer of the Bank involved in the Bank's lending function.

6. On or about January 15, 2008, the Bank extended Loan [REDACTED] in the amount of \$25,099 to Respondent and his father [REDACTED].

7. The purpose of the loan was to purchase and rehabilitate rental real estate. The collateral for the loan was real property located at 1513 S. Cross Street, Robinson, Illinois.

8. On March 4, 2008, Respondent approved Loan [REDACTED], a loan that the Bank extended to [REDACTED] in the amount of \$70,586.94.

9. The stated purpose of the loan was to "complete remodeling" and the collateral was real estate located at 1606 S. Robb Street, Robinson, Illinois.

10. At the time that the Respondent approved the loan to [REDACTED] he fully intended to disburse loan funds in the amount of \$25,000 to his own account to pay off his loan with the Bank.

11. On that same day, March 4, 2008, Respondent approved a disbursement on Loan [REDACTED] in the amount of \$25,000, which was used to pay off Loan [REDACTED], the loan the Bank had extended to Respondent and his father, [REDACTED].

12. The disbursement of the \$25,000 loan proceeds by Respondent to pay off his loan with the Bank was contrary to the stated purpose of the loan to [REDACTED].

13. At no time did Respondent disclose to the Bank that he intended to disburse a portion of the [REDACTED] loan funds to his own account.

14. Respondent concealed from the Bank his wrongful disbursement of the \$25,000 loan proceeds for more than two years.

15. At all times pertinent to this proceeding the Respondent had a business relationship with Richard R. Beard ("Beard"), the owner of [REDACTED].

16. Respondent never fully disclosed to the Bank his business relationship with Beard.

17. Respondent intentionally misapplied Bank funds when he used [REDACTED]'s loan proceeds for his own benefit and contrary to the stated purpose of the loan.

18. In October of 2008, Respondent approved Loan [REDACTED], a loan to [REDACTED] Land Trust in the amount of \$73,761.42. The proceeds of Loan [REDACTED] were used to pay off Loan [REDACTED], the loan to [REDACTED] Land Trust that was extended on March 4, 2008.

19. Subsequently, Loan [REDACTED] to [REDACTED] went into default and, on August 31, 2011, the Bank charged off \$47,772.68 on Loan [REDACTED].

20. Respondent's failure to disclose to the Bank his intent to use the [REDACTED] loan proceeds for his own use and benefit was an unsafe and unsound banking practice and a breach of his fiduciary duties.

21. Respondent's use of the [REDACTED] loan proceeds for his own benefit was an unsafe and unsound banking practice and a breach of his fiduciary duties.

22. Respondent's use of customer loan proceeds for his own benefit, and contrary to the stated purpose of the loan, demonstrate Respondent's dishonesty and his willful disregard for the Bank's safety and soundness.

EFFECT OF MISCONDUCT

23. By reason of Respondent's unsafe or unsound practices and breaches of fiduciary duty, the Respondent realized a gain or other benefit.

24. As a result of Respondent's foregoing acts, omissions and/or practices, the Respondent engaged and/or participated in unsafe or unsound banking practices in connection with the Bank.

25. As result of Respondent's foregoing acts, omissions and/or practices, the Respondent breached his fiduciary duty to the Bank.

26. The acts, omissions and/or practices of Respondent alleged herein evidence Respondent's personal dishonesty and/or demonstrate a willful disregard for the safety or soundness of the Bank.

GROUND FOR ASSESSMENT OF CIVIL MONEY PENALTIES

27. As a result of the foregoing facts, the FDIC concludes that Respondent recklessly engaged in unsafe or unsound practices in conducting the affairs of the Bank.

28. As a result of the foregoing facts, the FDIC concludes that Respondent breached his fiduciary duty to the Bank.

29. As a result of the foregoing facts and conclusions, the FDIC concludes that Respondent's reckless unsafe or unsound practices and/or breaches of fiduciary duty to the Bank resulted in pecuniary gain to Respondent.

NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTIES, FINDINGS OF FACT AND CONCLUSIONS OF LAW; ORDER TO PAY; AND NOTICE OF HEARING
NOTICE OF ASSESSMENT

30. The FDIC incorporates the allegations of paragraphs 1 through 29 as FINDINGS OF FACT AND CONCLUSIONS OF LAW for purposes of this NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTIES ("NOTICE OF ASSESSMENT") as fully set out herein.

ORDER TO PAY

31. By reason of the reckless unsafe or unsound practices and/or breaches of fiduciary duty set forth in this NOTICE, the FDIC has concluded that a civil money penalty should be assessed against Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2). This conclusion was drawn after taking into account the appropriateness of the penalty with respect to the financial resources and the good faith of Respondent, the gravity of the unsafe or unsound practices and breaches of fiduciary duty, and such other matters as justice may require, it is:

ORDERED, that by reason of the reckless unsafe or unsound practices and breaches of fiduciary duty set forth in the NOTICE OF ASSESSMENT, a penalty of \$25,000 be, and hereby is, assessed against Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2).

IT IS FURTHER ORDERED, that the effective date of this ORDER TO PAY be, and hereby is, stayed until twenty (20) days after the date of receipt of the NOTICE OF ASSESSMENT by Respondent, during which time 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 Rules of Practice and Procedure, 12 C.F.R. § 308.19.

32. The Respondent may request a hearing regarding this NOTICE OF ASSESSMENT and ORDER TO PAY. Such a request for a hearing must be made within twenty (20) days of service of the NOTICE OF ASSESSMENT, pursuant to section 8(i)(2)(h), and section 308.19 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.19. If the Respondent fails to request a hearing within twenty (20) days of the service of this NOTICE OF ASSESSMENT, the penalty assessed against the Respondent pursuant to the ORDER TO PAY will be final and unappealable and shall be paid within sixty (60) days after the date of service of this NOTICE OF ASSESSMENT.

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

NOTICE OF HEARING

34. Regardless of whether the Respondent requests a hearing on the NOTICE OF ASSESSMENT and ORDER TO PAY, notice is hereby given that a hearing will be held in East St. Louis, Illinois, commencing sixty (60) days from the date of service of the NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, or on such date and at such place as may be set by the Administrative Law Judge appointed to hear this matter, for the purpose of taking evidence on the charges specified in the NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION and to determine whether a permanent order should be issued to prohibit Respondent from further participation in the conduct of the affairs of any insured depository institution or organization enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. §1818(e)(7)(A), without the prior permission 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).

35. If Respondent requests a hearing with respect to the charges specified in the NOTICE OF ASSESSMENT and ORDER TO PAY, evidence shall also be taken on the charges specified therein at the same time and place for the purpose of determining whether the Respondent shall be ordered to forfeit and pay a civil money penalty in accordance with section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2).

36. The hearing will be public, and in all respects 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 Rules of Practice and Procedure, 12 C.F.R. Part 308. The hearing will be held before an Administrative Law Judge to be appointed by the Office of Financial Institution Adjudication pursuant to 5 U.S.C. §3105.

37. The Respondent is directed to file an answer to this NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION within twenty (20) days from the date of service as provided by section 308.19 of the FDIC Rules of Practice and Procedure, 12 C.F.R. §308.19.

38. All papers to be filed or served in this proceeding shall be served filed with the Office of Financial Institution Adjudication, 3501 N. Fairfax Drive, Suite VS-D8113, Arlington, Virginia 22226-3500, pursuant to section 308.10 of the FDIC Rules of Practice and Procedure, 12 C.F.R. §308.10. Respondent is encouraged to file any answer electronically with the Office of Financial Institution Adjudication at ofia@fdic.gov.

39. Copies of all papers filed or served in this proceeding shall be served upon the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429-9990; A.T. Dill III, Assistant General Counsel, Enforcement Section, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429-9990; and upon Timothy E. Divis, Regional Counsel, Federal Deposit Insurance Corporation, 300 South Riverside Plaza, Suite 1700, Chicago, Illinois 60606.

PRAYER FOR RELIEF

40. The FDIC prays for relief in the form of the issuance of an ORDER OF PROHIBITION pursuant to 12 U.S.C. §1818(e) against the Respondent and an ORDER TO

PAY CIVIL MONEY PENALTY pursuant to 12 U.S.C. § 1818(i) in the amount of \$25,000 against the Respondent.

Pursuant to delegated authority.

Dated at Washington, D.C., this 20th day of February, 2013.

/s/

Christopher Newbury
Associate Director