

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of	)	
	)	
	)	ORDER TO PAY
	)	CIVIL MONEY PENALTY
FIRST FEDERAL SAVINGS BANK	)	
OF ELIZABETHTOWN,	)	
ELIZABETHTOWN, KENTUCKY	)	FDIC-12-366k
	)	
(Insured State Nonmember Bank)	)	
	)	

First Federal Savings Bank of Elizabethtown, Elizabethtown, Kentucky ("Bank"), has been advised of its right to receive a NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY AND NOTICE OF HEARING issued by the Federal Deposit Insurance Corporation ("FDIC") detailing the violations of law and regulation for which a civil money penalty may be assessed against the Bank pursuant to section 8(i)(2) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(i)(2), and has been further advised of the right to a hearing with respect to the foregoing, under section 8(i) of the Act, 12 U.S.C. § 1818(i), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. The Bank, having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY ("CONSENT AGREEMENT") with counsel for the FDIC dated July 1, 2013,

whereby, solely for the purpose of this proceeding and without admitting or denying the violations of law or regulation, the Bank consented to the issuance of the ORDER TO PAY CIVIL MONEY PENALTY by the FDIC.

The FDIC considered the matter and determined that the Bank violated the prohibition against unfair and deceptive acts or practices found in section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1), in that the Bank's practice of collecting putative debts from non-deposit holding consumers, who attempted to cash checks with the Bank, through the confiscation of check proceeds without the consumer's consent and without proper legal process was both unfair and deceptive. In addition, the Bank's practice of distributing electronic fund transfer disclosures to consumers, which contained liability protections and specific procedures for resolving electronic transfers disputes and were consistent with the requirements of Regulation E, 12 C.F.R. Part 1005, but then failing to abide by the disclosure terms including the regulatory standards, was found to be deceptive under Section 5.

The FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY CIVIL MONEY PENALTY

IT IS HEREBY ORDERED that, by reason of the violations of law and regulation set forth herein, and after taking into account the CONSENT AGREEMENT, the appropriateness of the penalty with respect to the financial resources and good faith of the Bank, the gravity of the violations, the history of previous violations by the Bank, and such other matters as justice may require, pursuant to 12 U.S.C. § 1818(i)(2), a penalty of one-hundred thousand dollars (\$100,000) is assessed against the Bank. The Bank shall pay such amount to the Treasury of the United States.

IT IS FURTHER ORDERED that the Bank is prohibited from seeking or accepting indemnification from any third party for the civil money penalty assessed and paid in this matter.

This ORDER TO PAY CIVIL MONEY PENALTY shall become effective upon its issuance by the FDIC.

Pursuant to delegated authority.

Dated at Washington, DC this 19th day of July, 2013.

_____/s/_____
Sylvia Plunkett
Senior Deputy Director
Division of Depositor and
Consumer Protection