

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____)	
In the Matter of)	
)	
EDWARD O. HANSON, JR.,)	
as an institution-affiliated party of)	CONSENT ORDER
)	AND ORDER TO PAY
CROWN BANK)	
EDINA, MINNESOTA)	FDIC-19-0047b
)	FDIC-19-0046k
(INSURED STATE NONMEMBER BANK))	
)	
RESPONDENT'S NMLS U/I#: N/A)	
)	
_____)	

Edward O. Hanson, Jr. (Respondent) and a representative of the Legal Division of the Federal Deposit Insurance Corporation (FDIC) executed a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER AND ORDER TO PAY (CONSENT AGREEMENT) dated May 3, 2019, whereby, solely for the purpose of this proceeding and without admitting or denying any violations of law or regulations, unsafe or unsound practices, or breaches of fiduciary duty, Respondent consented to the issuance of this CONSENT ORDER AND ORDER TO PAY pursuant to 12 U.S.C. § 1818(b) and 1818(i).

The FDIC has determined, and Respondent neither admits nor denies, that:

1. Respondent engaged or participated in violations of law or regulations, unsafe or unsound practices, and breaches of fiduciary duty as an institution-affiliated party of Crown Bank, Edina, Minnesota (Bank);
2. Further, the FDIC has determined that, while the chief financial officer and a director of the Bank, Respondent assisted the former chief executive officer in conducting and

obscuring certain transactions that violated 12 U.S.C. § 375b and Regulation O of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 215, promulgated thereunder and made applicable to insured State nonmember banks by 12 U.S.C. § 1828(j)(2) and 12 C.F.R. § 337.3, which also constituted unsafe or unsound practices. In addition to these violations and practices, Respondent breached his fiduciary duties by failing to stop or report the chief executive officer's misappropriation of funds from a third party's Bank deposit account. This activity occurred from as early as January 2014 through at least December 2015.

The FDIC, having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and 1818(i) have been satisfied, accepts the CONSENT AGREEMENT and issues the following:

CONSENT ORDER

Respondent is hereby ORDERED to cease and desist from and take affirmative action as follows:

1. Whenever Respondent is employed by an insured depository institution or otherwise becomes an institution-affiliated party within the meaning of 12 U.S.C. § 1813(u), Respondent shall:

a. Comply fully with all laws, regulations, and policies applicable to any insured depository institution with which Respondent is or may become affiliated, including, but not limited to, laws, regulations, and policies concerning insider lending and the Federal Reserve Board's Regulation O, 12 C.F.R. Part 215, made applicable to insured State nonmember banks by 12 U.S.C. § 1828(j)(2) and 12 C.F.R. § 337.3. Within thirty (30) calendar days of the effective date of this CONSENT ORDER, Respondent shall complete a review of these laws and regulations.

- b. Promptly report any potential violations of law or regulations to the appropriate officers, Board of Directors, or regulators.
 - c. Abide by policy guidance of the financial institution and obtain prior approval before engaging in any nonconforming activity.
 - d. Not commit or participate in any unsafe or unsound practices, as that term is used in Title 12 of the United States Code.
 - e. Fulfill the fiduciary duties of loyalty and care owed to any insured depository institution with which Respondent is or may become affiliated.
 - f. Become familiar with the FDIC's Statement Concerning the Responsibilities of Bank Directors and Officers (FIL-87-92, dated December 3, 1992). Within thirty (30) calendar days of the effective date of this CONSENT ORDER, Respondent shall complete a review of this statement.
 - g. Attend a formal training course that focuses on bank director or officer duties and responsibilities within 12 months.
 - h. Become familiar with, and adhere to, the written policies and procedures of any insured depository institution with which Respondent is or may become affiliated, especially in relation to ethics, internal routines and controls, conflicts of interest, and insider transactions. In the event that Respondent is affiliated with an insured depository institution with written policies and procedures that are more stringent than the provisions of this CONSENT ORDER, Respondent shall adhere to the written policies and procedures of such insured depository institution.
2. Respondent shall, within ten (10) calendar days of the effective date of this CONSENT ORDER, provide a copy of this CONSENT ORDER to the Chairman of the Board of

Directors of any insured depository institution of which Respondent is an institution-affiliated party.

3. Before accepting any position that would cause Respondent to become an institution-affiliated party, Respondent shall provide a copy of this CONSENT ORDER to: (i) the Chairman of the Board of Directors of the insured depository institution; or (ii) a senior executive manager of the insured depository institution, provided that such official has been approved in writing by the Regional Director of the FDIC's Kansas City Regional Office for this purpose.

4. Within ten (10) calendar days of satisfying the requirements of paragraphs 2 and/or 3, Respondent shall provide a written certification of Respondent's compliance to the Regional Director of the FDIC's Kansas City Regional Office, 1100 Walnut Street, Suite 2100, Kansas City, Missouri 64106.

5. If Respondent believes that the provisions of this CONSENT ORDER have been fulfilled, Respondent may request that this CONSENT ORDER be terminated by submitting a letter with supporting documentary evidence to the Regional Director of the FDIC's Kansas City Regional Office. The FDIC will consider the submission and may request such additional information or documentation as it, in its sole discretion, may deem necessary in order to review the submission. The decision to deny the request and retain this CONSENT ORDER as is, modify it, or terminate it is at the FDIC's sole discretion.

This CONSENT ORDER shall be effective immediately. The provisions of this CONSENT ORDER shall remain effective and enforceable for a period of five (5) years, except to the extent that any provision is modified, terminated, suspended, or set aside by the FDIC.

