

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of:	)	NOTICE OF INTENTION TO
	)	PROHIBIT FROM FURTHER
WILLIAM DEREK MARTIN,	)	PARTICIPATION, NOTICE OF
individually and as an institution- affiliated	)	ASSESSMENT OF CIVIL
party of	)	MONEY PENALTIES,
	)	FINDINGS OF FACT AND
ANDERSON BROTHERS BANK,	)	CONCLUSIONS OF LAW,
MULLINS, SOUTH CAROLINA	)	ORDER TO PAY, AND NOTICE
	)	OF HEARING
(Insured State Nonmember Bank))	
	)	FDIC-19-0109e
RESPONDENT'S NMLS UI # 754517	)	FDIC-19-0110k
)	

The Federal Deposit Insurance Corporation (FDIC) has determined that WILLIAM DEREK MARTIN (Respondent), as an institution-affiliated party of ANDERSON BROTHERS BANK, Mullins, South Carolina (Bank) has directly or indirectly recklessly participated or engaged in unsafe or unsound practices in conducting the affairs of the Bank, and in acts, omissions or practices that constitute breaches of his fiduciary duties to the Bank; that as a result of such conduct, the Bank has suffered more than a minimal financial loss; and that such conduct demonstrated Respondent's personal dishonesty and his willful and continuing disregard for the safety or soundness of the Bank.

The FDIC, therefore, institutes this proceeding for the purpose of determining whether an appropriate order should issue against Respondent under the provisions of section 8(e) of the Federal Deposit Insurance Act (Act), 12 U.S.C. § 1818(e), prohibiting him 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 a civil money penalty under the provisions of 8(i)(2) of the Act, 12 U.S.C. §§ 1818(e) & 1818(i)(2).

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 (Rules), 12 CFR 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 CFR Part 308, showing as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

I. Preliminary Findings

1. At all times pertinent to this proceeding, the Bank was a corporation existing and doing business under the laws of the State of South Carolina, having its principal place of business in Mullins, South Carolina.

2. At all times pertinent to this proceeding, the Bank was an insured State nonmember bank, subject to the Act, 12 U.S.C. §§ 1811-1831aa; the Rules and Regulations of the FDIC, 12 CFR Chapter III; and the laws of the State of South Carolina.

3. At all times pertinent to this proceeding, the Bank employed Respondent as a Vice President/ Loan Officer, in which capacity Respondent was an "institution-affiliated party" of the Bank as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and for purposes of section 8(i) of the Act, 12 U.S.C. § 1818(i).

4. The FDIC is the “appropriate Federal banking agency” with respect to the Bank and this proceeding within the meaning of 12 U.S.C. § 1818(i).

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

II. Findings Regarding Loan 6577

6. As more particularly alleged hereafter, between April 13, 2016 and August 15, 2016, Respondent recklessly engaged and participated in unsafe or unsound practices in conducting the affairs of the Bank, and breached his fiduciary duties to the Bank, by and through a series of unauthorized transactions related to a loan identified by the Bank as Loan xxxxx6577 (Loan 6577).

7. On or about December 2, 2011, Respondent originated, approved, and otherwise caused to be processed Loan 6577, a closed-end commercial installment loan in the amount \$54,892.32, to C.W. (initials only throughout, to preserve Bank customer confidentiality) and a co-signer, T.H., who pledged real estate as security. The stated purpose of the loan was to “consolidate business debts of W.’s Wholesale,” C.W.’s automobile business. The proceeds were disbursed to the named borrowers in a single advance.

8. On or about April 13, 2016, Respondent knowingly and willfully misapplied Bank funds and converted said funds to the use and benefit of an associate, by originating, approving, and otherwise causing to be processed a modification of Loan 6577, increasing the balance by \$5,300. Said modification was accomplished at the request of A.W., who was not a party to Loan 6577 and had no authority to make such a request, a fact then known to Respondent. Respondent failed to properly document the subject modification in the Bank’s records, as was his responsibility. Neither C.W. nor T.H. was made aware of the modification at the time of the transaction. Respondent

caused to be disbursed the associated \$5,300 in “new proceeds” in the form of Bank cashier’s check 240344, payable to “C.W. or A.W.,” which was thereafter negotiated by A.W., and the funds thereby converted to her use and benefit.

9. On or about April 20, 2016, Respondent knowingly and willfully misapplied Bank funds and converted said funds to the use and benefit of an associate, by originating, approving, and otherwise causing to be processed a modification of Loan 6577, increasing the balance by \$4,800. Said modification was accomplished at the request of A.W., who was not a party to Loan 6577 and had no authority to make such a request, a fact then known to Respondent. Respondent failed to properly document the subject modification in the Bank’s records, as was his responsibility. Neither C.W. nor T.H. was made aware of the modification at the time of the transaction. Respondent caused to be disbursed the associated \$4,800 in “new proceeds” in the form of Bank cashier’s check 240476, payable to “C.W. or A.W.,” which was thereafter negotiated by A.W., and the funds thereby converted to her use and benefit.

10. On or about August 5, 2016, Respondent knowingly and willfully misapplied Bank funds and converted said funds to the use and benefit of an associate, by originating, approving, and otherwise causing to be processed a modification of Loan 6577, increasing the balance by \$12,744. Said modification was accomplished at the request of A.W., who was not a party to Loan 6577 and had no authority to make such a request, a fact then known to Respondent. Respondent failed to properly document the subject modification in the Bank’s records, as was his responsibility. Neither C.W. nor T.H. was made aware of the modification at the time of the transaction. Respondent caused to be disbursed the associated \$12,744 in “new proceeds” in the form of two Bank cashier’s checks: check 247959, payable to “C.W. or A.W.” in the amount \$8,800, which was thereafter

negotiated by A.W., and the funds thereby converted to her use and benefit; and check 247478, payable to “W.’s Wholesale” in the amount \$3,974, which was thereafter negotiated by A.W., and the funds thereby converted to her use and benefit.

11. On or about August 15, 2016, Respondent knowingly and willfully misapplied Bank funds and converted said funds to the use and benefit of an associate, by originating, approving, and otherwise causing to be processed a modification of Loan 6577, increasing the balance by \$2,000. Said modification was accomplished at the request of A.W., who was not a party to Loan 6577 and had no authority to make such a request, a fact then known to Respondent. Respondent failed to properly document the subject modification in the Bank’s records, as was his responsibility. Neither C.W. nor T.H. was made aware of the modification, at the time of the transaction. Respondent caused to be disbursed the associated \$2,000 in “new proceeds” in the form of Bank cashier’s check 248087, payable to “A.W.”, which was thereafter negotiated by A.W., and the funds thereby converted to her use and benefit.

12. On or about July 13, 2017, the Bank charged off the outstanding balance of Loan 6577 occasioned by Respondent’s unauthorized modifications, as described in paragraphs 8 through 11, *supra*, together with the associated accrued interest, having determined that the debt could not be supported by the Bank’s underlying file and was, thus, uncollectible as against the borrowers.

13. By and through his willful misapplication of Bank funds, as described in paragraphs 8 through 11, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

14. By and through his falsification of Bank records, as described in paragraphs 8 through 11, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary

duties to the Bank.

15. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 8 through 11, *supra*, were part of a pattern of misconduct on his part.

16. By reason of Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 8 through 11, *supra*, the Bank has suffered or is likely to suffer more than a minimal financial loss, in an amount to be proven at hearing.

17. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 8 through 11, *supra*, demonstrate personal dishonesty on the part of Respondent; his willful disregard for the safety or soundness of the Bank; and, taken with numerous other acts described in this Notice, his continuing disregard for the safety or soundness of the Bank.

III. Findings Regarding Loan 8607

18. On or about April 20, 2016, Respondent knowingly and willfully misapplied Bank funds and converted said funds to the use and benefit of an associate, by originating, approving, and otherwise causing to be processed, a loan identified by the Bank as Loan xxxxx8607 (Loan 8607). The named borrower was W.E., who is C.W.'s grandfather. The principal amount of the loan was \$4,925. The stated purpose of the loan was to finance W.E.'s "personal expenses."

19. Contrary to the data reflected above, W.E. did not apply or otherwise seek to obtain Loan 8607; rather, the loan was made at the request of A.W., a fact then known to Respondent.

20. Contrary to the data reflected above, W.E. did not receive the benefit of Loan 8607, with regard to his "personal expenses" or otherwise; rather, on or about April 20, 2016, Respondent

caused to be processed Bank general ledger debit and credit tickets, which had the effect of applying \$4,800 of the proceeds of Loan 8607 toward the principal balance of Loan 6577 debt (see *supra*).

21. In originating, receiving, witnessing, approving, and/or otherwise causing to be processed the documents associated with Loan 8607, Respondent falsified information vital to the Bank's underwriting process.

22. At all times pertinent to Loan 8607, Respondent was acting in collusion with A.W. for the purpose of generating a loan to a "nominee" or "straw" buyer, to wit: Respondent participated in a scheme to use W.E.'s identity and credit to obtain loan proceeds for the benefit of A.W.

23. On or about December 15, 2017, as a direct result of Respondent's above-described misconduct, the Bank charged off the outstanding balance of Loan 8607 (\$2,887.49), having determined that the debt could not be supported by the Bank's underlying file and was, thus, uncollectible as against the named borrower.

24. By and through his willful misapplication of Bank funds by the generation of a loan to a "nominee" or "straw" buyer, as described in paragraphs 18 through 22, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

25. By and through his falsification of Bank records, as described in paragraphs 18 through 22, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

26. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 18 through 22, *supra*, were part of a pattern of misconduct on his part.

27. By reason of Respondent's unsafe and unsound banking practices and breaches of his

fiduciary duties, as described in paragraphs 18 through 22, *supra*, the Bank has suffered or is likely to suffer more than a minimal financial loss, in an amount to be proven at hearing.

28. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 18 through 22, *supra*, demonstrate personal dishonesty on the part of Respondent; his willful disregard for the safety or soundness of the Bank; and, taken with numerous other acts described in this Notice, his continuing disregard for the safety or soundness of the Bank.

IV. Findings Regarding Loan 7855

29. On or about February 22, 2017, Respondent knowingly and willfully misapplied Bank funds and converted said funds to the use and benefit of an associate, by originating, approving, and otherwise causing to be processed, a loan identified by the Bank as Loan xxxxx7855 (Loan 7855). The named borrower was W.E. (see *supra*). The principal amount of the loan was \$11,395. The stated purpose of the loan was to finance the purchase of a 2007 Chevrolet Avalanche pickup truck (VIN 3GNFK12377G188921) and a 1996 Wilderness Camper Trailer (VIN 1ED5G2526T2878926).

30. Contrary to the data reflected above, W.E. did not apply or otherwise seek to obtain Loan 7855; rather, the loan was made at the request of A.W., a fact then known to Respondent.

31. Contrary to the data reflected above, the proceeds of Loan 7855 were not used to purchase the designated collateral vehicles, a fact then known to Respondent.

32. On or about February 24, 2017, Respondent caused to be processed Bank general ledger debit and credit tickets, which had the effect of applying \$6,522.18 of the proceeds of Loan 7855 toward the balance of a loan identified by the Bank as Loan xxxxx4233, which was also in W.E.'s name.

33. On or about February 22, 2017, Respondent caused to be disbursed \$2,800 of the proceeds of Loan 7855 in the form of Bank cashier's check 262416, payable to "W.E.", which was thereafter negotiated by A.W., and the funds thereby converted to her use and benefit.

34. Respondent failed to ensure that the Bank obtained title to the designated 2007 Chevrolet Avalanche pickup truck (VIN 3GNFK12377G188921); to the designated 1996 Wilderness Camper Trailer (VIN 1ED5G2526T2878926); or to any other vehicle or attachable personal property, and thereby failed to perfect the Bank's claim of lien securing Loan 7855, as was his duty in accordance with the Bank's loan policy and sound banking principles.

35. In originating, receiving, witnessing, approving, and/or otherwise causing to be processed the documents associated with Loan 7855, Respondent falsified information vital to the Bank's underwriting process.

36. At all times pertinent to Loan 7855, Respondent was acting in collusion with A.W. for the purpose of generating a loan to a "nominee" or "straw" buyer, to wit: Respondent participated in a scheme to use W.E.'s identity and credit to obtain loan proceeds for the benefit of A.W.

37. On or about April 18, 2018, as a direct result of Respondent's above-described misconduct, the Bank charged off the outstanding balance of Loan 7855 (\$9,944.46), having determined that the debt could not be supported by the Bank's underlying file and was, thus, uncollectible as against the named borrower.

38. By and through his willful misapplication of Bank funds by the generation of a loan to a "nominee" or "straw" buyer, as described in paragraphs 29 through 36, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

39. By and through his falsification of Bank records, as described in paragraphs 29

through 36, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

40. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 29 through 36, *supra*, were part of a pattern of misconduct on his part.

41. By reason of Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 29 through 36, *supra*, the Bank has suffered or is likely to suffer more than a minimal financial loss, in an amount to be proven at hearing.

42. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 29 through 36, *supra*, demonstrate personal dishonesty on the part of Respondent; his willful disregard for the safety or soundness of the Bank; and, taken with numerous other acts described in this Notice, his continuing disregard for the safety or soundness of the Bank.

V. Findings Regarding Loan 4498

43. On or about October 31, 2016, Respondent knowingly and willfully misapplied Bank funds and converted said funds to the use and benefit of an associate, by originating, approving, and otherwise causing to be processed, a loan identified by the Bank as Loan xxxxx4498 (Loan 4498). The named borrower was C.M., who is A.W.'s mother. The principal amount of the loan was \$17,796. The loan was ostensibly protected by a security interest in a 2007 GMC Yukon SLT 4WD pickup truck (VIN 1GKPK130X7J121309), pledged by A.W. by and through her signature in the "Third Party Agreement" clause of the Loan 4498 "Note, Disclosure, and Security Agreement" document.

44. Contrary to the data reflected above, C.M. did not apply or otherwise seek to obtain Loan 4498; rather, the loan was made at the request of A.W., a fact then known to Respondent.

45. Contrary to the data reflected above, A.W. did not, at any time pertinent to this action, own the designated collateral vehicle or otherwise have an assignable interest in same, a fact then known to Respondent.

46. On or about October 31, 2016, Respondent caused to be disbursed \$10,446.65 of the proceeds of Loan 4498 in the form of Bank cashier's check 254238, payable to "Anderson Brothers Bank," which had the effect of applying \$10,446.65 of the proceeds of Loan 4498 toward the balances of multiple Bank loans in C.M.'s name.

47. On or about October 31, 2016, Respondent caused to be disbursed \$5,000 of the proceeds of Loan 4498 in the form of Bank cashier's check 254234, payable to "A.W. or C.M.," which was thereafter negotiated by A.W., and the funds thereby converted to her use and benefit.

48. Respondent failed to ensure that the Bank obtained title to the designated 2007 GMC Yukon SLT 4WD pickup truck (VIN 1GKPK130X7J121309), or to any other vehicle or attachable personal property, and thereby failed to perfect the Bank's claim of lien securing Loan 4498, as was his duty in accordance with the Bank's loan policy and sound banking principles.

49. In originating, receiving, witnessing, approving, and/or otherwise causing to be processed the documents associated with Loan 4498, Respondent falsified information vital to the Bank's underwriting process.

50. At all times pertinent to Loan 4498, Respondent was acting in collusion with A.W. for the purpose of generating a loan to a "nominee" or "straw" buyer, to wit: Respondent participated in a scheme to use C.M.'s identity and credit to obtain loan proceeds for the benefit of A.W.

51. On or about December 15, 2017, as a direct result of Respondent's above-described misconduct, the Bank charged off the outstanding balance of Loan 4498 (\$16,804), having determined that the debt could not be supported by the Bank's underlying file and was, thus, uncollectible as against the named borrower.

52. By and through his willful misapplication of Bank funds by the generation of a loan to a "nominee" or "straw" buyer, as described in paragraphs 43 through 50, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

53. By and through his falsification of Bank records, as described in paragraphs 43 through 50, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

54. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 43 through 50, *supra*, were part of a pattern of misconduct on his part.

55. By reason of Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 43 through 50, *supra*, the Bank has suffered or is likely to suffer more than a minimal financial loss, in an amount to be proven at hearing.

56. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 43 through 50, *supra*, demonstrate personal dishonesty on the part of Respondent; his willful disregard for the safety or soundness of the Bank; and, taken with numerous other acts described in this Notice, his continuing disregard for the safety or soundness of the Bank.

VI. Findings Regarding Loan 9364

57. On or about April 7, 2017, Respondent knowingly and willfully misapplied Bank funds and converted said funds to the use and benefit of an associate, by originating, approving, and otherwise causing to be processed, a loan identified by the Bank as Loan xxxxx9364 (Loan 9364). The named borrower was C.M. (see *supra*). The principal amount of the loan was \$12,912. The stated purpose of the loan was to finance the purchase of a 2015 Subaru Legacy automobile (VIN 4S3BNBJ64F302765).

58. Contrary to the data reflected above, C.M. did not apply or otherwise seek to obtain Loan 9364; rather, the loan was made at the request of A.W., a fact then known to Respondent.

59. Contrary to the data reflected above, the proceeds of Loan 9364 were not used to purchase the designated collateral vehicle, a fact then known to Respondent.

60. On or about April 19, 2017, Respondent caused to be disbursed \$9,097.10 of the proceeds of Loan 9364 in the form of Bank cashier's check 266958, payable to "Anderson Brothers Bank for C.M.," which had the effect of applying \$9,097.10 of the proceeds of Loan 9364 toward the balances of multiple Bank loans in C.M.'s name.

61. On or about April 7, 2017, Respondent caused to be disbursed \$3,077 of the proceeds of Loan 9364 in the form of Bank cashier's check 266137, payable to "W.'s Wholesale," which was thereafter negotiated by A.W., and the funds thereby converted to her use and benefit.

62. Respondent failed to ensure that the Bank obtained title to the designated 2015 Subaru Legacy automobile (VIN 4S3BNBJ64F302765), or to any other vehicle or attachable personal property, and thereby failed to perfect the Bank's claim of lien securing Loan 9364, as was his duty in accordance with the Bank's loan policy and sound banking principles.

63. In originating, receiving, witnessing, approving, and/or otherwise causing to be processed the documents associated with Loan 9364, Respondent falsified information vital to the Bank's underwriting process.

64. At all times pertinent to Loan 9364, Respondent was acting in collusion with A.W. for the purpose of generating a loan to a "nominee" or "straw" buyer, to wit: Respondent participated in a scheme to use C.M.'s identity and credit to obtain loan proceeds for the benefit of A.W.

65. On or about May 1, 2018, as a direct result of Respondent's above-described misconduct, the Bank charged off the outstanding balance of Loan 9364 (\$12,410), having determined that the debt could not be supported by the Bank's underlying file and was, thus, uncollectible as against the named borrower.

66. By and through his willful misapplication of Bank funds by the generation of a loan to a "nominee" or "straw" buyer, as described in paragraphs 57 through 64, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

67. By and through his falsification of Bank records, as described in paragraphs 57 through 64, *supra*, Respondent engaged in unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

68. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 57 through 64, *supra*, were part of a pattern of misconduct on his part.

69. By reason of Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 57 through 64, *supra*, the Bank has suffered or is likely to suffer more than a minimal financial loss, in an amount to be proven at hearing.

70. Respondent's unsafe and unsound banking practices and breaches of his fiduciary duties, as described in paragraphs 57 through 64, *supra*, demonstrate personal dishonesty on the part of Respondent; his willful disregard for the safety or soundness of the Bank; and, taken with numerous other acts described in this Notice, his continuing disregard for the safety or soundness of the Bank.

PRAYER FOR RELIEF PURSUANT TO 12 U.S.C § 1818(e)

Based on the charges and the acts, omissions and/or practices described above, the FDIC requests an order prohibiting Respondent from participating, in any manner, in the conduct of the affairs of the Bank, or any other insured depository institution, organization or agency specified in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written consent of the FDIC and/or other appropriate Federal financial institutions regulatory agency, as defined in section 8(e)(7)(D) of the Act, 12 U.S.C. 1818(e)(7)(D).

NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT
AND CONCLUSIONS OF LAW

71. The paragraphs numbered 1 through 70, *supra*, are restated and incorporated herein by reference and constitute FINDINGS OF FACT AND CONCLUSIONS OF LAW for the purposes of this NOTICE OF ASSESSMENT.

72. By reason of the allegations contained herein, Respondent has recklessly engaged in unsafe or unsound practices in conducting the affairs of the Bank, within the meaning of 12 U.S.C. § 1818(i)(2)(B)(i)(II).

73. By reason of the allegations contained herein, Respondent has breached his fiduciary duties to the Bank within the meaning of 12 U.S.C. § 1818(i)(2)(B)(i)(III).

74. By reason of the allegations contained herein, Respondent's practices and breaches resulted in pecuniary gain or other benefit within the meaning of 12 U.S.C. § 18(i)(2)(B)(ii)(III).

ORDER TO PAY

75. By reason of Respondent's reckless engagement in unsafe or unsound practices and breaches of fiduciary duties, which resulted in the Bank having suffered more than a minimal financial loss, as set forth above, the FDIC has concluded that a civil money penalty should be assessed against Respondent pursuant to sections 12 U.S.C. §§ 1818(i)(2)(B)(i) and 1818(i)(2)(B)(ii). After taking into account the appropriateness of the penalties with respect to the size of Respondent's financial resources (to the extent said resources could be determined by the FDIC) and good faith, the gravity of the practices and breaches, the history of previous unsafe or unsound practices or breaches of fiduciary duties, and other matters as justice may require, it is:

ORDERED, that by reason of the unsafe or unsound practices and breaches of fiduciary duties, resulting in the Bank having suffered more than a minimal financial loss, a penalty be and hereby is assessed against Respondent pursuant to 12 U.S.C. § 1818(i)(2)(B) in the amount One Hundred Five Thousand Dollars (\$105,000), and

FURTHER ORDERED, that the effective date of this ORDER TO PAY be, and hereby is, stayed until 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 12 U.S.C. § 1818(i)(2)(H) and 12 CFR § 308.19.

OPPORTUNITY FOR HEARING

76. Notice is hereby given that a hearing shall commence at Florence, South Carolina sixty (60) days from the date of service of this NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY upon Respondent, or at such place or on such date as the parties to this action and the Administrative Law Judge appointed to hear this matter may agree, for the purpose of taking evidence on the charges herein specified, in order 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 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 12 U. S.C. § 1818 (e)(7)(D). EXCEPT THAT, RESPONDENT MUST SPECIFICALLY REQUEST A HEARING WITHIN 20 DAYS PURSUANT TO SECTION 12 U.S.C. § 1818(i)(2)(H) AND 12 CFR § 308.19. IF RESPONDENT FAILS TO FILE A REQUEST FOR A HEARING WITHIN 20 DAYS OF THE SERVICE OF THE NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY ON HIM, THE PENALTY ASSESSED AGAINST HIM PURSUANT TO THE ORDER TO PAY WILL BE FINAL AND SHALL BE PAID WITHIN 60 DAYS AFTER THE NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY IS SERVED ON HIM.

77. The hearing will be public, and in all respects conducted in accordance with the provisions of the Act, the Administrative Procedure Act, 5 U.S.C. §§ 551-559, and the FDIC Rules of Practice and Procedure, 12 CFR Part 308. The hearing will be held before an Administrative Law Judge appointed by the Office of Financial Institution Adjudication pursuant to 5 U.S.C. § 3105.

78. Respondent is hereby directed to file an answer to this NOTICE OF ASSESSMENT within twenty (20) days from the date of service, as provided by section 308.19 of the FDIC Rules, 12 CFR § 308.19. An original and one copy of all papers filed in this proceeding shall be served upon the Office of Financial Institution Adjudication, 1700 G Street, NW, Washington, D.C. 20551. Copies of all papers filed in this proceeding shall be served upon: Robert E. Feldman, Executive Secretary Section, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Room F-1058, Washington, D.C. 20429; Andrea Winkler, Acting Assistant General Counsel, Legal Division, Enforcement Section, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Room MB-3020, Washington, D. C. 20429; and Regional Counsel, Federal Deposit Insurance Corporation, Atlanta Regional Office, 10 10th Street NE, Suite 800, Atlanta, Georgia 30309.

Pursuant to delegated authority.

Issued at Washington, D.C., this 27th day of April, 2020.

Patricia A. Colohan
Associate Director
Division of Risk Management Supervision