

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____)	
In the Matter of)	
JAMES P. SAPPINGTON,)	ORDER OF PROHIBITION FROM
individually, and as an institution-affiliated)	FURTHER PARTICIPATION AND
party of)	ORDER TO PAY
)	
CORYDON STATE BANK)	FDIC-19-0134e
CORYDON, IOWA)	FDIC-19-0135k
)	
(INSURED STATE NONMEMBER BANK))	
)	
RESPONDENT'S NMLS UI #1158331)	
_____)	

James P. Sappington (Respondent) has been advised of the right to receive a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION and NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW, AND NOTICE OF HEARING (collectively NOTICE) issued by the Federal Deposit Insurance Corporation (FDIC) detailing the unsafe or unsound banking practices and breaches of fiduciary duty for which an ORDER OF PROHIBITION FROM FURTHER PARTICIPATION and ORDER TO PAY (ORDER) may issue and has been further advised of the right to a hearing on the alleged charges under 12 U.S.C. §§ 1818(e) and 1818(i) and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. Having waived those rights, Respondent entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF PROHIBITION FROM FURTHER PARTICIPATION AND ORDER TO PAY (CONSENT AGREEMENT) with a representative of the Legal Division of the FDIC, whereby solely for the purpose of this proceeding and without admitting or denying any unsafe or unsound banking practice or any

breaches of fiduciary duty, Respondent consented to the issuance of an ORDER by the FDIC.

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

(a) Respondent has engaged or participated in unsafe or unsound banking practices and breaches of fiduciary duty as an institution-affiliated party of Corydon State Bank, Corydon, Iowa (Bank);

(b) Further, the FDIC has determined that as Director, President, Chief Executive Officer, and Senior Lender of the Bank, Respondent made unauthorized withdrawals from a customer's account and from an internal Bank account for his personal use. In addition, Respondent falsified bank records to hide these withdrawals.

(c) By reason of such practices and breaches of fiduciary duty, the Bank has suffered financial loss or other damage, and Respondent received financial gain or other benefit; and

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

The FDIC further determined that such practices and breaches of fiduciary duty demonstrate 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 insured depository institution, or any other agency or organization enumerated in 12 U.S.C. § 1818(e)(7)(A).

The FDIC further determined, after taking into account the financial resources and good faith of Respondent, the gravity of the violations by Respondent, the history of previous violations by Respondent, and such other matters as justice may require, that a civil money penalty was appropriate under 12 U.S.C. § 1818(i)(2)(B).

Based on the foregoing, the FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER OF PROHIBITION FROM FURTHER PARTICIPATION

1. James P. Sappington is hereby, without the prior written approval 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), prohibited from:

(a) participating in any manner in the conduct of the affairs of any financial institution or organization enumerated in 12 U.S.C. § 1818(e)(7)(A);

(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 12 U.S.C. § 1818(e)(7)(A);

(c) violating any voting agreement previously approved by the appropriate Federal banking agency as that term is defined in 12 U.S.C. § 1813(q); or

(d) voting for a director, or serving or acting as an institution-affiliated party.

2. The prohibitions in paragraph 1 above shall cease to apply to Respondent if Respondent obtains the prior written permission of both the FDIC and the “appropriate Federal financial institutions regulatory agency” as defined in 12 U.S.C. § 1818(e)(7)(D).

ORDER TO PAY

3. James P. Sappington is hereby assessed a civil money penalty of \$15,000 dollars. Respondent shall pay the civil money penalty by check or wire for payment to the Treasury of the United States. Respondent is prohibited from seeking or accepting indemnification from any insured depository institution for the civil money penalty assessed and paid in this manner.

4. Nothing herein shall preclude any proceedings brought by the FDIC to enforce the terms of this ORDER, and nothing herein constitutes a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, or the FDIC as Receiver, or any state agency or department to bring other actions deemed appropriate against Respondent.

5. This ORDER will become effective upon its issuance by the FDIC. 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 25th day of June, 2020.

Patricia A. Colohan
Associate Director
Division of Risk Management Supervision