

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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| In the Matter of |) | |
| |) | |
| FARMERS & MERCHANTS BANK |) | ORDER TO PAY |
| OF KENDALL |) | |
| KENDALL, WISCONSIN |) | FDIC-06-057k |
| |) | |
| (Insured State Nonmember Bank) |) | |

FARMERS AND MERCHANTS BANK OF KENDALL, KENDALL, WISCONSIN ("BANK") has been advised that a civil money penalty may be issued by the Federal Deposit Insurance Corporation ("FDIC") only after notice and an opportunity for a hearing on the record, pursuant to 42 U.S.C. § 4012a(f)(4), detailing the violations for which the penalty may be assessed against the Bank pursuant to the Flood Disaster Protection Act of 1973 ("Flood Act"), as amended, 42 U.S.C. § 4012a and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339, and has been further advised of the right to a hearing on the alleged charges under the Flood Act, 42 U.S.C. § 4012a(f) and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308.

Having waived those rights, the Bank entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN 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 violations, the Bank consented and agreed to pay a civil money penalty in the amount of \$5,555.00 related to the Bank's pattern or practice of committing violations of Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339, which implements section 102 of the FDPA, 42 U.S.C. § 4012a, on loans secured by property located in a flood hazard area.

The FDIC considered the matter and determined it had reason to believe that the Bank has engaged or participated in violations of law or regulations for which a civil money penalty of \$5,555.00 is appropriate to be assessed against the Bank, pursuant to the Flood Act, 42 U.S.C. § 4012a, and Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339.

The FDIC therefore accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED that FARMERS & MERCHANTS BANK OF KENDALL, KENDALL, WISCONSIN be, and hereby is, assessed a civil money penalty of \$5,555.00, pursuant to the Flood Act, 42 U.S.C. § 4012a, and Part 339 of the FDIC Rules and

Regulations, 12 C.F.R. Part 339, the receipt of which is acknowledged.

This Order to Pay shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this 5th day of July, 2006.

April A. Breslaw
Acting Associate Director
Division of Supervision and
Consumer Protection