FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of	)	
	)	
GERALD A. PAYNE,	)	
individually, and as an	)	ORDER TO PAY
institution-affiliated party	)	
of	)	FDIC-09-386k
	)	
FIRST STATE BANK MINNESOTA	)	
LE ROY, MINNESOTA	)	
	)	
(Insured State Nonmember Bank)	)	
	)	
	)	

Gerald A. Payne ("Respondent") and a representative of the
Legal Division of the Federal Deposit Insurance Corporation
("FDIC") executed a STIPULATION AND CONSENT TO THE ISSUANCE OF
AN ORDER OF PROHIBITION FROM FURTHER PARTICIPATION and ORDER TO
PAY ("CONSENT AGREEMENT") whereby Respondent, solely for the
purpose of this proceeding and without admitting or denying any
violations of law and regulations, unsafe or unsound practices,
and breaches of fiduciary duty for which civil money penalties
may be assessed, consented and agreed to pay a civil money
penalty in the amount of $30,000 to the Treasury of the United
States.

After taking into account the CONSENT AGREEMENT, the
appropriateness of the penalty with respect to the financial

resources and good faith of the Respondent, the gravity of the violations by Respondent, the history of previous violations or lack thereof by Respondent, and such other matters as justice requires, the FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED, that by reason of the misconduct referenced in paragraph 2 of the CONSENT AGREEMENT, a penalty of $30,000 be, and hereby is, assessed against Respondent. The Respondent shall pay the civil money penalty to the Treasury of the United States, the receipt of which has been previously acknowledged.

IT IS FURTHER ORDERED that Respondent is prohibited from seeking or accepting indemnification from any insured depository institution for the civil money penalty assessed and paid in this matter.

This Order to Pay shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this _21st day of July, 2010.

_/s/_____
Serena L. Owens
Associate Director
Division of Supervision and
Consumer Protection