FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of: STEVEN D. HAYNES, individually, and as an institution-affiliated party of SILVER STATE BANK HENDERSON, NEVADA (IN RECEIVERSHIP)	NOTICE OF INTENTION TO REMOVE AND PROHIBIT FROM FURTHER PARTICIPATION, NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTIES, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY, AND NOTICE OF HEARING FDIC-11-370e FDIC-11-371k

The Federal Deposit Insurance Corporation (FDIC) has determined that Steven D. Haynes (Respondent or Haynes), as an institution-affiliated party of Silver State Bank, Henderson, Nevada (In Receivership) (Bank), has directly or indirectly participated or engaged in unsafe or unsound banking practices, and/or acts, omissions or practices, which constitute breaches of his fiduciary duties as an officer of the Bank; that the Bank has suffered financial loss or other damage, and/or that the Respondent has received financial gain or other benefit by reason of such practices, and/or breaches of fiduciary duty; and that such practices, and/or breaches of fiduciary duty demonstrate the Respondent's willful or continuing disregard for the safety or soundness of the Bank.

Further, the FDIC has determined that Respondent’s reckless unsafe or unsound practices, and/or breaches of his fiduciary duty were part of a pattern of misconduct and/or caused or are likely to cause more than a minimal loss to the Bank and/or resulted in pecuniary gain or other benefit to the Respondent.

The FDIC, therefore, institutes this proceeding for the purpose of determining whether an appropriate order should be issued against the Respondent under the provisions of section 8(e) of the Federal Deposit Insurance Act (Act), 12 U.S.C. § 1818(e), removing and prohibiting the Respondent from further participation in the conduct of the affairs of any 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). Further, the FDIC institutes this proceeding for the assessment of civil money penalties pursuant to the provisions of section 8(i)(2)(B) of the Act, 12 U.S.C. § 1818(i)(2)(B).

The FDIC hereby issues this Notice of Intention to Remove and Prohibit From Further Participation (Notice to Prohibit) pursuant to section 8(e) of the Act, 12 U.S.C. § 1818(e), and this Notice of Assessment of Civil Money Penalty, Findings of Fact and Conclusions of Law, Order to Pay, and Notice of Hearing (Notice of Assessment) pursuant to section 8(i) of the Act, 12 U.S.C. § 1818(i), and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308, and alleges as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Preliminary Allegations

1. The Bank was chartered by the Nevada Financial Institutions Division (NFID) and insured by the FDIC, effective July 1, 1996.

2. The Bank was a wholly-owned subsidiary of Silver State Bancorp, and a corporation existing and doing business under the laws of the state of Nevada. The Bank had its principal place of business in Henderson, Nevada.

3. At all times pertinent to this proceeding, the Bank was an insured, state non-member bank, as defined in section 3(e) of the Act, 12 U.S.C. § 1813(e), and as such was subject to the Act, 12 U.S.C. §§1811-34(a).

4. On September 5, 2008, the NFID closed the Bank and appointed the FDIC as Receiver. At the time of failure, the Bank operated 17 full-service branches in Nevada and Arizona with total assets of approximately $1.9 billion.

5. Respondent joined the Bank as a vice president and commercial lender on June 19, 2001. In approximately April 2002, he was promoted to senior vice president and business banking manager. In that position, he was responsible for generating and underwriting commercial loans, assisting with business development, and supervising a group of junior commercial loan officers, lending assistants, and credit analysts.

6. Beginning approximately October 2007, Respondent served as the branch manager for the Pebble Market office and continued his supervisory responsibilities over junior loan officers. Respondent remained in that position until the Bank closed on September 5, 2008, and the FDIC was appointed the Bank's Receiver.

7. At all times pertinent to the charges herein, Haynes 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), for purposes of section 8(e), 12 U.S.C. § 1818(e), and for purposes of section 8(i) of the Act, 12 U.S.C. § 1818(i).

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

Greystone Financial Group

9. CCSF, LLC was established in 1998 with a principal place of business in Las Vegas, Nevada. CCSF had three separate business lines that it operated under two fictitious business names in multiple states. Greystone Financial Group (Greystone) was a d.b.a. for CCSF, LLC that handled the mortgage banking operation and retail mortgage brokerages in multiple states including, but not limited to, Utah. National Funding Solutions (NFS) was another d.b.a. of CCSF, LLC that handled third party originations in multiple states including, but not limited to, Utah. CCSF, Greystone, and NFS will be collectively referred to hereafter as "Greystone".

10. Michael Sweeney (Sweeney) and David Fedel (Fedel) were the majority partners/owners of Greystone.

11. David McMullin (McMullin) was at all relevant times a minority partner/owner in Greystone and the Branch Principal for the Greystone Cedar City, Utah office.

12. Patrick McNaught (McNaught) was at all relevant times a minority partner/owner of Greystone, a customer of the Bank, and a personal friend of Haynes.

13. Sometime in 2000, McNaught introduced Sweeney to Haynes at a non-Bank social event at McNaught's personal residence.

14. In approximately mid-2006, McNaught referred Sweeney to Haynes for a loan to Greystone. The Bank offered Sweeney and Fedel a $500,000 revolving Line of Credit (LOC) with a 12 month maturity for the stated purpose of "funding business investments".

15. On July 20, 2007, approximately one year after the LOC was granted, the Bank termed out the LOC, meaning that Greystone could no longer use the line and were required to make monthly interest payments and quarterly principal reduction payments.

Humarock Mortgage, LLC

16. Humarock Mortgage, LLC (Humarock) was established in 2005 with a principal place of business in Draper, Utah. Humarock was engaged in the business of third-party mortgage origination. Humarock was voluntarily dissolved in June 2007.

17. Kent Allred (Allred) was at all relevant times an owner and manager of Humarock as well as a licensed mortgage broker.

18. Beginning in approximately 2005, Allred began performing third-party mortgage origination for Greystone. Typically, Allred provided the following unverified information to Greystone for each of the potential borrowers: Uniform Residential Loan Application (URLA), a credit report containing a credit score, and a purchase contract.

19. Beginning in approximately 2006, at least 30 individuals were recruited by Allred and his business associates to participate in an investment property scheme in Utah. The individuals were told if they had good credit scores those scores could be used to qualify them for a construction loan to build a house that could be flipped after completion for a significant profit, and that they did not have to invest any of their personal funds into the properties.

B. Greystone and the Utah Construction Loans

20. In approximately mid-2006, Allred provided McMullin with financial information for approximately 30 individuals and asked McMullin to determine if the individuals pre-qualified for residential mortgages.

21. Allred then told McMullin that the 30 individuals needed stated-income construction loans to build the houses that were to be the subject of the residential mortgages, and that Allred needed Greystone's assistance in locating a lender for the construction loans.

22. McMullin inquired at multiple banks throughout Utah about providing funding for the construction loans, which like the residential mortgages, would be provided on a stated income basis. Each of the several banks declined to lend on such terms.

23. In mid-2006, Sweeney contacted Haynes to see if the Bank would be willing to be the lender for approximately 30 such stated-income construction loans in Utah.

24. Between August 2006 and May 2007, Greystone provided 30 potential borrower packets to Haynes that generally included the following documents relating to a borrower's creditworthiness: an unsigned URLA containing unverified information and, in some cases, no income information at all, a verbal verification that the borrower was employed, and a credit report.

25. Greystone's 30 borrower packets also typically included information such as an appraisal of the "as completed" value of the house, a break down of construction costs, information on the builder, a mortgage loan commitment.

26. As the originating lending officer on all 30 construction loans, Haynes was responsible for the underwriting of each of the loans on behalf of the Bank.

27. The 30 construction loans also included an amount for the purchase of the underlying lot and ranged from $327,250 to $569,500 with one loan for a custom built property of $1,636,000. The average loan was approximately $433,000.

28. For each of the 30 construction loans that Greystone brought to the Bank, Greystone received fees of at least $20,000 per loan for a total of approximately $600,000. These fees were paid out of construction loan proceeds.

29. Haynes, at all relevant times, had a personal lending limit of $750,000, meaning that loans at or below Haynes' limit were approved at his discretion and not subject to further review or approval by the Bank's Senior Loan Committee.

30. Haynes personally approved 29 of the 30 loans, which were within his lending authority.

31. Of the 29 loans personally approved by Haynes, 11 borrowers were able to pay off their construction loans to the Bank. The remaining 18 loans went into default and caused a loss to the Bank and/or the Receiver in the amount of approximately $2.6 million.

C. Haynes's Deficient Underwriting of the Utah Construction Loans

32. Haynes engaged in unsafe or unsound banking practices, violations of Bank policies, and breached his fiduciary duties to the Bank in connection with the following 18 construction loans: #59782, #60392, #60798, #60897, #61150, #62471, #62547, #62562, #62711, #62687, #62729, #62760, #62778, #62851, #64089, #64097, #64121, and #64105.

33. The 18 construction loan amounts ranged from $368,000 to $520,000 and were all within Haynes' personal lending limit of $750,000.

34. The borrower packets submitted by Greystone to the Bank, as described in paragraphs 24 & 25 above, were materially deficient and lacked sufficient information to permit a meaningful assessment of the proposed borrowers' creditworthiness. The borrower packets were only intended to demonstrate pre-qualification for a nontraditional mortgage product and should not have been used to qualify the borrower for a construction loan.

Borrower Loan Applications

35. Typically, the borrowers submitted two loan applications. The first application was the URLA that was filled out by Allred, on behalf of the borrowers, and submitted to the Bank

through Greystone. The second loan application was the Bank's one page Loan/Credit Line Application (Bank Application).

36. The URLAs submitted by Greystone for each of the 18 construction loans were unsigned and undated by either Allred or the borrowers.

37. Generally, the borrowers' actual incomes during the relevant period were materially lower than the stated figures on the URLA.

38. Generally, the borrowers' assets during the relevant period were materially lower than the assets stated on the URLA.

39. Greystone did not verify any of the income or asset information listed on the URLAs.

40. Haynes knew or should have known that the borrowers had applied for stated-income loans, which means that the income and assets stated on the URLA were not verified.

41. Haynes sent the Bank Application to the borrowers, but he only requested that they sign and date the form. Generally the Bank Applications contained no employment or income information and were signed and dated by the borrowers after Haynes had approved and originated the borrowers' construction loans.

42. Haynes failed to verify any of the 18 borrower's income or cash flow by requiring the borrowers to fill out the Bank Application or through other generally accepted prudent banking practices such as obtaining pay check stubs or requesting tax returns.

Verifications of Employment (VOEs)

43. The borrowers provided employment information as part of the URLA. Typically, a telephone or verbal VOE was obtained by Allred, his staff, or Greystone and then provided to the Bank through Greystone.

44. None of the VOEs contained income information. Additionally, some contained incorrect information regarding the borrower's employment. Some borrowers did not have VOEs.

Bank's Credit and Underwriting Policies

45. The Bank's General Credit Rules dated April 2001, and in effect when Haynes made the 18 construction loans, required that:

a. The borrower has sufficient financial capacity to repay the indebtedness in full from the primary source of repayment, and a secondary source of repayment exists that would provide repayment should the primary source fail.

b. The borrower has an established record of integrity and a good credit history.

c. The credit accommodation complies with Silver State Bank policies and follows established guidelines.

d. The credit accommodation complies with Silver State Bank credit approval and review process.

46. The Bank's General Credit Policies on borrower financial statements for Bank Guideline Exceptions dated January 2005, and in effect when Haynes made the 18 construction loans, required "all borrowers, co-borrowers, endorsers and guarantors to provide current financial information in sufficient detail and quality … such that the Bank can evaluate the risks involved in a credit request, and can monitor the loan on an ongoing basis for adherence to loan covenants and any changes in financial condition. Requests for new credit should be supported by three years of financial information on the borrower."

47. The Bank's Real Estate Lending Policy dated June 6, 2006, and in effect when Haynes made the 18 construction loans, stated that "Guarantors and/or Borrowers for real estate loans should have sufficient net worth and cash flow to support the transactions."

D. Haynes' Failure to Properly Underwrite the Construction Loans Was Unsafe or Unsound and Violated Bank Policies

48. Haynes failed to independently verify or document the borrower's financial condition, net worth, income and/or employment to determine the creditworthiness of the 18 borrowers, as required by prudent lending requirements and Bank policies.

49. The borrowers' actual incomes and net worth were in fact inadequate for the borrowers to obtain permanent financing of the construction loan or to otherwise repay the loan.

50. Haynes's failure to determine the borrowers' creditworthiness and risk they posed to the Bank was a significant factor in the ultimate loss sustained, or to be sustained, in connection with these loans.

51. Haynes engaged in one or more unsafe or unsound practices and violations of Bank policies in connection with each of the 18 construction loans on which the Bank or Receiver suffered a loss. including, but not limited to:

Accepting URLAs from Greystone that were unsigned and undated by the borrowers; and

Failing to independently verify or document the borrower's income, employment, assets, or net worth, despite manifest deficiencies in the URLAs, Bank Applications or VOEs.

52. Haynes's actions and/or inactions were unsafe and unsound, and as a result of them, 18 of the 29 stated-income construction loans, within his personal lending authority – more than 50% of the total – ultimately went into default, resulting in losses to the Bank and/or the Receiver of more than $2.6 million.

E. Haynes Approved and then Misrepresented the Construction Loans to the Bank's Senior Loan Committee

53. After Haynes approved the 18 construction loans, they were summarized and sent to the Bank's Senior Loan Committee as a "For Reporting" agenda item, meaning that the committee would have been informed that the loans were previously approved by Haynes.

54. Per Bank policy, the Senior Loan Committee could not override Hayne's approval but would have received a copy of Haynes' credit write up package after each loan was approved.

55. After Haynes received the borrower packages from Greystone, he would routinely prepare a credit write up package, which typically included the following documents: 1) a "B-2", which was the Bank's format for providing a summary of the transaction and which contained signatures showing the review and approval of the loan; 2) a guideline exception form, which identified whether the loan contained any exceptions to Bank policies and how those exceptions were resolved; and 3) the "write up memo", which was a 3 – 4 page memorandum describing the proposed loan and generally covering the following areas:

- Purpose (of the proposed loan)/Project Overview
- Market Overview
- Contractor Team
- Handling of Draws
- Value (of property)
- Sources and Uses (of funds)
- Borrower's Information (Financial)
- Greystone Information
- Loan Grading

56. The purpose of the credit write up package was to provide information on the transaction to the Bank's senior management and to document that the transaction had been underwritten in a safe or sound manner and in accordance with applicable Bank policies.

Haynes' Failure to Identify Exceptions to Bank Policies

57. As the lending officer on the 18 construction loans, Haynes was required by the Bank's Guideline Exception Policy to list any exceptions to Bank policies on the "Guideline Exception Form". If an exception was listed, Haynes was required to state the reason that the loan was approved despite its failure to conform to Bank policies.

58. Each of the 18 construction loans violated at least one of the Bank's policies including, but not limited to, Loan-to-Value (LTV) requirements and Cash Flow/Repayment Sources.

59. Haynes failed to list any exceptions to any Bank policy on each of the 18 construction loans.

Haynes' Misrepresentation of Borrowers' Credit Qualifications and Failure to Describe Risks the Borrowers Posed to the Bank

60. Within the credit write up package, Haynes also included a memo for each of the 18 construction loans. Typically the memo provided the following information:

a. A listing of the Bank's three required "Sources of Repayment" for the loan, showing "Permanent", "Greystone Financial" and "Liquidation of collateral."

b. A statement that the loan has Loan-to-Value (LTV) of 80% or less.

c. A statement that the borrower's employment has been verified.

d. A statement regarding the borrower's assets.

e. A statement regarding the borrower's net worth.

61. In one or more of the credit write up memos, Haynes provided the following information:

a. A statement regarding the borrower's income.

b. A statement regarding the borrower's down payment or cash input.

c. A statement regarding the borrower's cash flow coverage.

d. A statement regarding Greystone's financials.

62. Haynes failed to state anywhere in the credit write up packages that most of the information contained in the credit write up memo, and listed above in paragraphs 60 and 61, was not verified and a significant portion of the information was inaccurate.

63. Haynes failed to state anywhere in the credit write up packages that he did not inquire into or independently verify any of the information relating to the borrower's creditworthiness that Haynes presented in the credit write up package.

64. Haynes failed to state anywhere in the credit write up packages that all 18 loans were stated-income construction loans.

F. Haynes Misrepresented Greystone's Purported Agreement to Provide Permanent Financing or Buy Back the Construction Loans

65. Haynes routinely represented in the credit write up memo that Greystone:

a. Had already approved a permanent loan for the borrower; and

b. Would buy back the construction loan if permanent financing was not obtained within 12 months.

66. For some of the 18 construction loans, Greystone provided a "Mortgage Loan Commitment", which was a one page document stating that the borrower had been approved for a "first mortgage loan", subject to list of conditions including, but not limited to, a clear title report on the property, a final URLA, an updated borrower credit package with no significant changes in financial situation, and final underwriter approval within investor guidelines.

67. The Mortgage Loan Commitment was for a nontraditional mortgage product, was conditional on its face, and not a guarantee that Greystone would provide permanent financing to the borrower.

68. Haynes also represented in all 18 credit write up memos that Greystone would buy back the construction loan within 12 months.

69. For most of the 18 construction loans, Greystone signed a one-page document entitled "Addendum to Loan Commitment" (Addendum). Purportedly, the Addendum was an agreement between Greystone and the Bank that allowed the Bank to demand that Greystone "buy back" the construction loan 12 months after the loan was originated.

70. Haynes also stated in all 18 credit write up memos that Greystone had a $45,000,000 - $50,000,000 warehouse line of credit with US Bank and that the warehouse line of credit would be used to buy back the loans. Haynes knew or should have known that restrictions on Greystone's warehouse line of credit did not allow the line to be used to buy back construction loans.

71. Haynes knew or should have known that Greystone did not have the financial capacity to buy back the construction loans in the event the borrowers did not qualify for permanent financing.

72. The Bank's Real Estate Lending Policy for Construction Loans for Individual Single Family Residences dated June 6, 2006, and in effect when Haynes originated the 18 construction loans, stated that "[l]oans for the construction of individual single family residences should only be made if a takeout mortgage has been approved (with normal conditions) for the borrower. The construction loan should not exceed the amount of the takeout loan".

73. Greystone's Mortgage Loan Commitment did not meet the qualifications of a takeout mortgage as required by Bank policy.

74. Haynes failed to ensure that Greystone entered into an industry accepted takeout commitment with the Bank, as required by Bank policy, or that Greystone had the financial capacity to comply with the takeout commitment for all 18 construction loans.

75. Haynes misrepresented Greystone's obligation and financial ability to buy back the 18 construction loans from the Bank. By repeatedly misrepresenting these key factors relating to the Bank's ability to ameliorate the risks associated with the 18 stated-income construction loans, Haynes recklessly engaged in a pattern or practice of unsafe or unsound banking practices and breached his fiduciary duties to the Bank.

76. As a result of Haynes's actions and/or inactions, the Bank and/or the FDIC as Receiver sustained losses of approximately $2.6 million.

77. In addition, Haynes benefited personally by receiving Bank-paid commissions on the 18 construction loans in the approximately amount of $11,000.

GROUNDS FOR SECTION 8(e) PROHIBITION ORDER

78. As a result of the Respondent's foregoing acts, omissions and/or practices, the Respondent has engaged and/or participated in unsafe or unsound banking practices.

79. As a result of the Respondent's foregoing acts, omissions and/or practices, the Respondent breached his fiduciary duties as an officer of the Bank.

80. By reason of the unsafe or unsound banking practices and/or breaches of his fiduciary duties specified above, Respondent caused the Bank and the FDIC as receiver a loss of more than $2.6 million.

81. By reason of the unsafe or unsound banking practices and/or breaches of his fiduciary duties specified above, Respondent gained approximately $11,000 in improper loan fee commissions.

82. The Respondent's unsafe and unsound banking practices and/or the breaches of his fiduciary duty, as set forth above, demonstrate the Respondent's willful or continuing disregard for the safety or soundness of the Bank.

GROUNDS FOR SECTION 8(I)(2) SECOND TIER CIVIL MONEY PENALTY

83. As a result of the foregoing facts, the FDIC concludes that Haynes recklessly engaged in unsafe or unsound practices in conducting the affairs of the Bank.

84. Further, as a result of the foregoing facts, the FDIC concludes that Haynes breached his fiduciary duty to the Bank.

85. Further, as a result of the foregoing facts, the FDIC concludes that Haynes' reckless unsafe or unsound practices and/or breaches of fiduciary duty to the Bank were part of a pattern of misconduct.

86. Further, as a result of the foregoing facts, the FDIC concludes that Haynes' reckless unsafe or unsound practices and/or breaches of fiduciary duty to the Bank caused more than a minimal loss to the Bank.

ORDER TO PAY

By reason of the reckless unsafe or unsound practices and/or breaches of fiduciary duty set forth in the Notice of Assessment, the FDIC has concluded that a civil money penalty should be assessed against the Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2). After taking into account the appropriateness of the penalties with respect to the size of financial resources and the good faith of the Respondent, the gravity of the reckless unsafe or unsound practices and/or breaches of fiduciary duty, and such other matters as justice may require, it is:

ORDERED, that by reason of the reckless unsafe or unsound practices and/or breaches of fiduciary duty set forth above, a penalty of $75,000 be, and hereby is, assessed against Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2);

FURTHER ORDERED, that the effective date of this Order to Pay be, and hereby is, stayed with respect to the Respondent until 20 days after the date of service of the Notice of Assessment by the Respondent, during which time the Respondent may file an answer and request a hearing pursuant to section 8(i)(2)(H) of the Act, 12 U.S.C. § 1818(i)(2)(H), and section 308.19 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.19.

If the Respondent fails to file a request for a hearing within 20 days of service of this Notice of Assessment, the penalty assessed against the Respondent, pursuant to this Order to Pay, will be final and shall be paid within 60 days after the date of service of this Notice of Assessment.

NOTICE OF HEARING

IT IS FURTHER ORDERED, that, if Respondent requests a hearing with respect to the charges alleged in this Notice of Assessment and Notice to Prohibit, the hearing shall commence sixty (60) days from the date of service of this Notice of Assessment and Notice to Prohibit at Las Vegas, Nevada, or at such other date or place upon which the parties to this proceeding and the Administrative Law Judge may agree. The purpose of the hearing will be for the taking of evidence on the charges, findings and conclusions stated herein in order to determine: (1) whether a permanent order should be issued to remove and prohibit the Respondent from further participation in the conduct of the affairs of any insured depository institution or organization enumerated in section 8(e)(7)(A) of the Act, 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 section 8(e)(7)(D) of the Act, 12 U.S.C. § 1818(e)(7)(D); and (2) whether the FDIC's Order to Pay should be sustained.

The hearing will be public, and in all respects conducted in accordance with the provisions of the Act, 12 U.S.C. §§ 1811-1834a, the Administrative Procedure Act, 5 U.S.C. §§ 551 559, and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308. The hearing will be held before an Administrative Law Judge to be appointed by the Office of Financial Institution Adjudication pursuant to 5 U.S.C. § 3105. The exact time and precise location of the hearing will be determined by the Administrative Law Judge.

In the event Respondent requests a hearing, Respondent is hereby directed to file an answer to this Notice to Prohibit and Notice of Assessment within 20 days from the date of service as provided by section 308.19 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.19.

An original and one copy of the answer, any such request for a hearing, and all other documents in this proceeding must be filed in writing with the Office of Financial Institution Adjudication, 3501 N. Fairfax Drive, Suite VS-D8116, Arlington, Virginia, 22226-3500, pursuant to section 308.10 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.10. Respondent is encouraged to file any answer and request for a hearing electronically with the Office of Financial Institution Adjudication at ofia@fdic.gov. Copies of all papers filed in this proceeding shall also be served upon the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429; A. T. Dill, III, Assistant General Counsel, Supervision Branch, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429; and upon Joseph J. Sano, Regional Counsel, San Francisco

Regional Office, Federal Deposit Insurance Corporation, 25 Jessie Street at Ecker Square, Suite 1400, San Francisco, California 94105.

Pursuant to delegated authority.

Dated at Washington, D.C., this __2nd___ day of August 2011.

____/s/_____
Serena L. Owens
Associate Director
Division of Risk Management Supervision