

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY

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|--------------------------|---|-------------|
| In the Matter of: |) | |
| |) | |
| |) | AA-EC-08-16 |
| Marshall Bank, N.A. |) | AA-EC-08-75 |
| Hallock, Minnesota |) | |
| |) | |

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller” or “OCC”), through his National Bank Examiner, has supervisory authority over Marshall Bank, N.A., Hallock, Minnesota (“Bank”);

WHEREAS, the Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a Stipulation and Consent to the Issuance of a Consent Order (“Stipulation and Consent”), dated ~~October~~ November 9___, 2009, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, and without admitting or denying any wrongdoing, the Bank has consented to the issuance of this Consent Order (“Order”) by the Comptroller.

NOW, THEREFORE, the Comptroller issues this Order pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, as follows:

ARTICLE I

Compliance with Prompt Corrective Action Directive

(1) The Bank shall comply with all terms and conditions of the Prompt Corrective Action Directive ("PCAD") issued by the OCC to the Bank on September 30, 2009 pursuant to 12

U.S.C. § 1831o and 12 C.F.R. Part 6. The PCAD, which is attached hereto as Exhibit A, is incorporated by reference and made a part of this Order.

ARTICLE II

Transfer of Capital

(2) In the event that, within one (1) year of the date of this Order, a sale or series of sales of all or substantially all of the Bank's assets occurs, the Bank shall transfer to the Federal Deposit Insurance Corporation ("FDIC"), all of the Bank's capital, including all cash or cash equivalents, existing immediately following such sale or sales, in an amount not to exceed three hundred and fifty thousand dollars (\$350,000).

ARTICLE III

Civil Money Penalty Assessment

(3) In the event that no sale or sales of all or substantially all of the Bank's assets occurs within one (1) year of the date of this Order, the Bank shall pay a civil money penalty in the amount of three hundred and fifty thousand dollars (\$350,000) on the first anniversary of the date of this Order.

(4) As set forth in paragraph (3) above, the Bank shall make payment in full by check made payable to the Treasurer of the United States and shall deliver the payment to: Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000. The docket number of this case shall be entered on the check.

ARTICLE IV

Other Provisions

(5) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing. The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(6) This Order is intended to be, and shall be construed to be, a final order issued and enforceable pursuant to 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(7) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 11th day of November, 2009.

/s/ Henry Fleming
Henry Fleming
Director for Special Supervision

11-09-09
Date

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

In the Matter of:

Marshall Bank, N.A.
Hallock, Minnesota

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AA-EC-08-16

AA-EC-08-75

**STIPULATION AND CONSENT
TO THE ISSUANCE OF A CONSENT ORDER**

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller” or “OCC”) initiated cease and desist proceedings (AA-EC-08-16) against Marshall Bank, N.A., Hallock, Minnesota (“Bank”) pursuant to 12 U.S.C. § 1818 through the issuance of a Notice of Charges dated May 8, 2008, for violations of a condition imposed in writing by the OCC in connection with the grant of an application, and the Bank filed an Answer on May 28, 2008 denying the allegations and raising various defenses.

WHEREAS, the Comptroller initiated civil money penalty proceedings (AA-EC-08-75) against the Bank and several former and current directors pursuant to 12 U.S.C. § 1818 through the issuance of a Notice of Assessment of Civil Money Penalties dated November 7, 2008, for violations of a condition imposed in writing by the OCC in connection with the grant of an application, and the Bank filed an Answer on November 25, 2008 denying the allegations and raising various defenses.

WHEREAS, in the interest of compliance and cooperation and to avoid further costs associated with the pending administrative proceedings, the Bank, without admitting or denying any wrongdoing, consents to the issuance of a Consent Order dated ~~October~~ November 9____,

2009 (“Order”) by executing this Stipulation and Consent to Issuance of a Consent Order (“Stipulation and Consent”);

NOW, THEREFORE, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

ARTICLE I

JURISDICTION

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818.

(3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818.

ARTICLE II

ACKNOWLEDGMENTS

(4) The Bank acknowledges that said Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2) and shall be deemed an “order ... to meet and maintain a specific capital level” for purposes of 12 C.F.R. Part 6, and consents and acknowledges that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his

supervisory powers, including 12 U.S.C. § 1818, and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(5) The Bank acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(6) The Bank acknowledges that the transfer of capital to the Federal Deposit Insurance Corporation ("FDIC") provided by Article II of the Order shall not be construed as a determination by the FDIC regarding the Bank's liability for cross guaranty claims against the Bank pursuant to 12 U.S.C. § 1815(e).

(7) The Bank agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the cease and desist or civil money proceedings or creating the impression that the notices initiating those proceedings are without factual basis. If the Bank violates this provision, the OCC may set aside this settlement and restore this action to its active docket.

ARTICLE III

WAIVERS

(8) The Bank, by signing this Stipulation and Consent, hereby waives:

- (a) any and all procedural rights available in connection with the issuance of the Order;

- (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818 and 12 C.F.R. Part 19;
- (c) all rights to seek any type of administrative or judicial review of the Order; and
- (d) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

OTHER PROVISIONS

- (9) As a result of the Order:
 - (a) the Bank is not an “eligible bank” pursuant to 12 C.F.R. § 5.3(g)(4) for the purposes of 12 C.F.R. Part 5 regarding rules, policies and procedures for corporate activities, and is not an “eligible bank” pursuant to 12 C.F.R. § 24.2(e)(4) for the purposes of 12 C.F.R. Part 24 regarding public welfare investments, unless, in either case, the Bank is otherwise informed in writing by the OCC.;
 - (b) the Bank is subject to the limitation of 12 C.F.R. § 5.51(c)(6)(ii) for the purposes of 12 C.F.R. § 5.51 requiring OCC approval of a change in directors and senior executive officers, unless otherwise informed in writing by the OCC; and
 - (c) the Bank is subject to the limitation on golden parachute payments provided by 12 C.F.R. §359.1(f)(1)(ii)(C) and 12 C.F.R. § 5.51(c)(6)(ii), unless otherwise informed in writing by the OCC.
- (10) It is agreed that the provisions of the Order constitute a settlement of the cease and desist and civil money penalty proceedings initiated against the Bank by the Comptroller on

May 8 and November 7, 2008, respectively. However, the specific acts, omissions or violations described in the notices initiating these proceedings may be used by the Comptroller in future enforcement actions to establish a pattern or practice of misconduct or the continuation of a pattern or practice of misconduct by the Bank.

(11) The Order shall not be construed as an adjudication on the merits and, except as set forth above in paragraph (10), shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting the Bank if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/ Henry Fleming

11-09-09

Henry Fleming
Director for Special Supervision

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/David Grandstand
David Grandstrand

10-21-09
Date

/s/Richard Hassel
Richard Hassel

Oct 21, 2009
Date

/s/David W. King
David King

10-21-09
Date

/s/Duane Lyberg
Duane Lyberg

10-23-09
Date