

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)	
)	ORDER OF PROHIBITION FROM
)	FURTHER PARTICIPATION
DAVID L. PETERS,)	AND
as an institution-affiliated party of)	ORDER TO PAY
)	
COMMUNITY FIRST BANK, INC.)	FDIC-15-0010e
WALHALLA, SOUTH CAROLINA)	FDIC-15-0011k
)	
(INSURED STATE NONMEMBER BANK))	

DAVID L. PETERS (Respondent) has been advised of the right to receive a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, NOTICE OF ASSESSMENT OF A CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY, AND NOTICE OF HEARING (collectively, Notice) 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 (collectively, Order) may issue. Respondent 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 AN ORDER TO PAY A CIVIL MONEY PENALTY (Consent Agreement) with a representative of the Legal Division of the FDIC, dated July 30, 2018, whereby solely for the purpose of this proceeding and without admitting or denying any unsafe or unsound banking practices or breaches of fiduciary duty,

Respondent consented to the issuance of the Order by the FDIC.

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

(a) Respondent has recklessly engaged or participated in unsafe or unsound banking practices and breaches of fiduciary duty as an institution-affiliated party of Community First Bank, Inc., Walhalla, South Carolina (Bank) within the meaning of 12 U.S.C. § 1813(u);

(b) Further, the FDIC has determined that, while Senior Vice President and/or Senior Credit Administrator of the Bank, during a period from on or about October 31, 2013 until on or about January 30, 2014, Respondent knowingly made no fewer than fourteen (14) unauthorized loans totaling no less than \$723,071.00. The proceeds from these loans were used by persons or entities other than the named borrowers. The loans were made without the nominal customers' authorization, and for the sole purpose of paying off previously-made loans.

(c) By reason of such practices and breaches of fiduciary duty, the Bank has suffered more than minimal financial loss, and the interests of the Bank's depositors have been or could be prejudiced; and

(d) Such practices and breaches of fiduciary duty reflect a pattern of misconduct, involved personal dishonesty on the part of Respondent, and demonstrated 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 other insured depository institution, or any other agency or organization enumerated in 12 U.S.C. § 1818(e)(7)(A).

After taking into account the Consent Agreement, the appropriateness of the penalty with respect to the financial resources and good faith of Respondent, the gravity of the violation by Respondent, the history of previous violations by Respondent, and such other matters as justice may require, the FDIC accepts the Consent Agreement and issues the following:

ORDER OF PROHIBITION FROM FURTHER PARTICIPATION

AND ORDER TO PAY

1. DAVID L. PETERS is hereby prohibited from:
 - (a) participating in any manner in the conduct of the affairs of any financial institution or agency 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; 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).
3. It is hereby ordered that, by reason of the reckless unsafe or unsound practices and breaches of fiduciary duty set forth above, a penalty of Five Thousand Dollars (\$5,000) is assessed against DAVID L. PETERS. Respondent shall pay the civil money penalty to the Treasury of the United States.

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

5. 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.

6. 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 4th day of October, 2018.

_____/s/_____
Patricia A. Colohan
Associate Director
Division of Risk Management Supervision