WHEREAS, pursuant to sections 8(e) and (i)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. §§ 1818(e) and (i)(3), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this Order of Prohibition (the “Order”) upon the consent of Adam D. Koontz (“Koontz”), a former employee and institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), of Fayette County Bank (“FCB” or the “Bank”), a former state member bank;

WHEREAS, Koontz was employed by FCB from November 2009 to September 2015;

WHEREAS, during his employment at FCB, Koontz held various positions within the Bank including loan officer (2009-2011), designated BSA/AML officer (2011-2015), President and CEO (2012-2014), and CFO (2014-2015);

WHEREAS, from at least 2013 to 2015, Koontz was a member of the Bank’s Board of Directors;

WHEREAS, from at least 2013 to 2015, Koontz engaged in unsafe and unsound
practices and breaches of fiduciary duty consisting, among other things, of:

(a) engaging in improper lending practices that violated the Bank’s policies and procedures;
(b) failing to properly supervise the lending practices of subordinate employees;
(c) failing to implement adequate controls and training relating to BSA/AML and failing to file appropriately currency transactions reports; and
(d) making misrepresentations to the Bank personnel, third-party loan reviewers, and Federal Reserve examiners regarding loan status, loan documentation and BSA/AML controls.

WHEREAS, on or about September 2015, Koontz was terminated from the Bank;

WHEREAS, in May 2017, the Bank failed due, in part, to the poor lending practices described above;

WHEREAS, by affixing his signature hereunder, Koontz has consented to the issuance of this Order by the Board of Governors and has agreed to comply with each and every provision of this Order, and has waived any and all rights he might have pursuant to 12 U.S.C. § 1818, 12 CFR Part 263, or otherwise: (a) to the issuance of a notice of intent to prohibit on any matter implied or set forth in this Order; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any manner the basis, issuance, terms, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW, THEREFORE, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issue of fact or law implied or set forth herein, and solely for the purpose of settling this matter without a formal proceeding being filed and without the
necessity for protracted or extended litigation,

IT IS HEREBY ORDERED, that:

1. Koontz, without the prior written approval of the Board of Governors and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act, 12 U.S.C. § 1818(e)(7)(B), another Federal financial institutions regulatory agency, is hereby and henceforth prohibited from:

   (a) participating in any manner in the conduct of the affairs of any institution or agency specified in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), including, but not limited to, any insured depository institution or any holding company of an insured depository institution, or any subsidiary of such holding company, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or company;

   (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 institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A);

   (c) violating any voting agreement previously approved by any Federal banking agency; or

   (d) voting for a director, or serving or acting as an institution-affiliated party, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), such as an officer, director or employee, in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A).

2. Pursuant to section 8(b) of the FDI Act, 12 U.S.C. § 1818(b), Koontz shall fully cooperate with and provide substantial assistance to the Board of Governors, including but not limited to the provision of information, testimony, documents, records, and other tangible
evidence, in connection with the investigations of whether enforcement action should be taken against other individuals who are or were institution-affiliated parties of the Bank or otherwise.

3. All communications regarding this Order shall be addressed to:

   (a)  Richard M. Ashton  
        Deputy General Counsel  
        Patrick M. Bryan  
        Assistant General Counsel  
        Board of Governors of the Federal Reserve System  
        20th & C Streets, NW  
        Washington, DC  20551

   (b)  Adam D. Koontz

4. Any violation of this Order shall separately subject Koontz to appropriate civil or criminal penalties, or both, under sections 8(i) and (j) of the FDI Act, 12 U.S.C §§ 1818(i) and (j).

5. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any other Federal or state agency or department, from taking any other action affecting Koontz; provided, however, that the Board of Governors shall not take any further action against Koontz relating to the matters addressed by this Order based upon facts presently known by the Board of Governors. This release and discharge shall not preclude or affect (i) any right of the Board of Governors to determine and endure compliance with this Order, or (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order.

6. Each provision of this Order shall remain fully effective and enforceable until expressly stayed, modified, terminated, or suspended in writing by the Board of Governors.
By order of the Board of Governors of the Federal Reserve System, effective this 13th day of May, 2019.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

/s/ Adam D. Koontz

By: /s/ Ann E. Misback

Secretary of the Board