

FEDERAL DEPOSIT INSURANCE CORPORATION

Handwritten initials/signature

WASHINGTON, D.C.

In the Matter of)

MARGARET HILL CHANCELLOR, individually)
and as an institution-affiliated party of)

ORDER OF PROHIBITION FROM
FURTHER PARTICIPATION

UNION STATE BANK)
PELL CITY, ALABAMA)

FDIC-11-645e

(INSURED STATE NONMEMBER BANK))
_____)

MARGARET HILL CHANCELLOR ("Respondent") has been advised of the right to receive a NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION ("NOTICE") issued by the Federal Deposit Insurance Corporation ("FDIC") detailing the violations of law, unsafe and unsound banking practices, and breaches of fiduciary duty for which an ORDER OF PROHIBITION FROM FURTHER PARTICIPATION ("ORDER") may issue, and has been further advised of the right to a hearing on the alleged charges under section 8(e) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(e), 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 ("CONSENT AGREEMENT") with a representative of the Legal Division of the FDIC, whereby solely for the purpose of this proceeding and without admitting or denying any violations, unsafe or unsound banking practices, or breaches of fiduciary duty, Respondent consented to the issuance of an ORDER by the FDIC.

The FDIC considered the matter and determined it had reason to believe that:

(a) Respondent violated laws, engaged in unsafe and unsound banking practices, and breached her fiduciary duties as an institution-affiliated party of Union State Bank, Pell City, Alabama (“the Bank”);

(b) By reason of such practices the Bank suffered a financial loss and Respondent received financial gain; and,

(c) Such practices involved personal dishonesty on the part of Respondent and demonstrated Respondent’s willful disregard for the safety and soundness of the Bank.

The FDIC further determined that such practices demonstrate Respondent’s unfitness to participate in the conduct of the affairs or as an institution-affiliated party of any insured depository institution, or any other agency or organization enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A).

The FDIC, therefore, accepts the CONSENT AGREEMENT and issues the following:

ORDER OF PROHIBITION
FROM FURTHER PARTICIPATION

1. MARGARET HILL CHANCELLOR is hereby, without the prior written approval 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), prohibited from:

(a) participating in any manner in the conduct of the affairs of any financial institution or organization enumerated in section 8(e)(7)(A) of the Act, 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 section 8(e)(7)(A) of the Act, 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. 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 April, 2012.



Serena L. Owens
Associate Director
Division of Risk Management Supervision