

**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

In the Matter of	)	Order No.: CN 08-08
	)	
<b>LIBERTY SAVINGS BANK, FSB</b>	)	Effective Date: July 22, 2008
	)	
Wilmington, Ohio	)	
OTS Docket No. 08039	)	

**ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY**

**WHEREAS**, Liberty Savings Bank, FSB, Wilmington, Ohio, OTS Docket No. 08039 (Savings Association), by and through its Board of Directors (Board), has executed a Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation); and

**WHEREAS**, Savings Association, by executing the Stipulation, has consented and agreed to the issuance of this Order of Assessment of a Civil Money Penalty (Order) by the Office of Thrift Supervision (OTS), pursuant to 42 U.S.C. § 4012a(f) and 12 U.S.C. § 1818(i); and

**WHEREAS**, pursuant to delegated authority, the OTS Regional Director for the Central Region (Regional Director), is authorized to issue Orders of Assessment of a Civil Money Penalty where a savings association has consented to the issuance of an order.

**NOW, THEREFORE, IT IS ORDERED that:**

**1. Payment of Civil Money Penalty.**

Within ten (10) calendar days after the Effective Date of this Order, Savings Association shall pay the sum of Four thousand two hundred thirty five Dollars (\$4,235.00) by tendering a certified check or bank draft made payable to the order of the National Flood Insurance Program – Mitigation Fund, together with a copy of the executed Order and a cover letter referencing Liberty Savings Bank, FSB, Wilmington, Ohio, OTS Docket No. 08039 to: Kevin Montgomery, Financial Management Specialist, Federal Emergency Management Agency, National Flood Insurance Program, 7700 Hubble Drive, Lanham, Maryland 20706. A copy of the certified check or bank draft and the cover letter shall also be provided by U.S. Mail or overnight courier to Michael L. Del Medico, Regional Enforcement Counsel, Office of Thrift Supervision, 1 South Wacker Drive, Suite 2000, Chicago, Illinois 60606.

**2. Effective Date, Incorporation of Stipulation.**

This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

**IT IS SO ORDERED.**

**OFFICE OF THRIFT SUPERVISION**

By: \_\_\_\_\_ /S/ \_\_\_\_\_  
Thomas A. Barnes  
Regional Director, Central Region

Date: See Effective Date on page 1

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<b>LIBERTY SAVINGS BANK, FSB</b>	)	Effective Date: July 22, 2008
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Wilmington, Ohio	)	
OTS Docket No. 08039	)	
	)	

**STIPULATION AND CONSENT TO THE ISSUANCE OF  
AN ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY**

**WHEREAS**, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Central Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Liberty Savings Bank, FSB, Wilmington, Ohio, OTS Docket No. 08039 (Savings Association), that grounds exist to initiate a civil money penalty assessment proceeding against Savings Association pursuant to 42 U.S.C. § 4012a(f) (Flood Insurance Act) and 12 U.S.C. § 1818(i); and

**WHEREAS**, the Regional Director, pursuant to delegated authority, is authorized to issue Orders of Assessment of a Civil Money Penalty where a savings association has consented to the issuance of an order; and

**WHEREAS**, Savings Association desires to cooperate with OTS to avoid the time and expense of an administrative civil money penalty proceeding by entering into this Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation) without admitting or denying that such grounds exist, but only admitting the statements and

conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees as follows:

**1. Jurisdiction.**

(a) Savings Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4) and a “regulated lending institution” within the meaning of 42 U.S.C. § 4003(a)(10). Accordingly, Savings Association is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c); and

(b) Pursuant to 12 U.S.C. § 1813(q) and 42 U.S.C. § 4003(a)(5), the Director of OTS is the “appropriate Federal banking agency” and “appropriate Federal entity for lending regulation” to initiate and maintain a civil money penalty proceeding against Savings Association pursuant to 42 U.S.C. § 4012a(f).

**2. OTS Findings of Fact.**

Savings Association has failed to comply with the requirements set forth in 42 U.S.C. §§ 4001-4129, and OTS implementing regulations set forth at 12 C.F.R. Part 572. Specifically, OTS finds, as outlined within the November 26, 2007 Report of Examination, that Savings Association failed to: i) in one instance, purchase flood insurance prior to a loan closing in violation of 12 C.F.R. § 572.3(a); ii) in three instances, ensure adequate levels of flood insurance, in violation of 12 C.F.R. § 572.3(a); and iii) in seven instances, ensure that flood insurance policies did not lapse and that 45 day notices were properly provided to borrowers, in violation of 12 C.F.R. § 572.7. OTS finds that these actions constituted a pattern or practice of violations under 42 U.S.C. § 4012a(f)(1) and that the Flood Insurance Act requires the assessment of a civil money penalty.

**3. Consent.**

Savings Association consents to the issuance by OTS of the accompanying Order of Assessment of a Civil Money Penalty (Order). Savings Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

**4. Finality.**

This Order is issued by OTS under the authority of 42 U.S.C. §§ 4012a(f)(1) and 4012a(f)(5) and 12 U.S.C. § 1818(i) and upon the Effective Date it shall be a final order, effective and fully enforceable by OTS under the provisions of 12 U.S.C. § 1818(h) and 42 U.S.C. § 4012a(f).

**5. Waivers.**

Savings Association waives the following:

(a) The right to be served with a written notice of OTS's assessment of a civil money penalty against it as provided by 12 U.S.C. § 1818(i); 42 U.S.C. § 4012a(f)(4); and 12 C.F.R. Part 509;

(b) The right to an administrative hearing including, without limitation, any such right provided by 12 U.S.C. §§ 1818(h) or 1818(i), or 42 U.S.C. § 4012a(f)(4);

(c) The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. §§ 1818(h) or 1818(i), or otherwise to challenge the validity of the Order;

(d) Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or

otherwise; and

(e) The right to assert this proceeding, this consent to the issuance of the Order, and/or the issuance of the Order, the payment of any monies, or the provision of any other financial relief as contemplated by the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

**6. OTS Authority Not Affected.**

Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting Savings Association if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law. OTS agrees not to institute further proceedings against Savings Association for the specific acts, omissions, or violations in the Findings of Fact set forth in Paragraph 2 above to the extent known to OTS as of the Effective Date of the accompanying Order, unless such acts, omissions, or violations reoccur.

**7. Other Governmental Actions Not Affected.**

Savings Association acknowledges and agrees that its consent to the issuance of the accompanying Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 6 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Savings Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

**8. Miscellaneous.**

(a) The laws of the United States of America shall govern the construction and

validity of this Stipulation and the Order;

(b) If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise;

(c) All references to OTS in this Stipulation and the Order shall also mean any of OTS's predecessors, successors, and assigns;

(d) The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order; and

(e) The terms of this Stipulation and the Order represent the final agreement of the parties with respect to the subject matters hereof and constitute the sole agreement of the parties with respect to such subject matters.

**9. Signature of Directors/Board Resolution.**

Each Director signing this Stipulation attests that he or she voted in favor of a Board resolution authorizing the consent of Savings Association to the issuance of the Order and the execution of the Stipulation. This Stipulation may be executed in counterparts by the directors after approval of execution of the Stipulation at a duly called board meeting. A copy of the Board Resolution authorizing execution of this Stipulation shall be delivered to OTS, along with the executed original(s) of this Stipulation.

**[Remainder of Page Intentionally Left Blank]**

By: \_\_\_\_\_ /S/  
James R. Powell, Chairman

By: \_\_\_\_\_ /S/  
Thomas A. Barnes  
Regional Director, Central Region

Date: \_\_\_\_\_

Date: See Effective Date on page 1

\_\_\_\_\_/S/  
John L. Giering  
Director

\_\_\_\_\_/S/  
William F. Kramer  
Director

\_\_\_\_\_/S/  
Patricia W. Meyers  
Director

\_\_\_\_\_/S/  
Kent R. Powell  
Director

\_\_\_\_\_/S/  
Robert E. Reed  
Director

\_\_\_\_\_/S/  
Charles H. Rinehart  
Director

\_\_\_\_\_/S/  
R. Jeffrey Siebenthaler  
Director