

UNITED STATES OF AMERICA
before the
OFFICE OF THRIFT SUPERVISION

In the Matter of

Suburban Federal Savings Bank
Cincinnati, Ohio

Resolution No.: CIN 91- 17
Dated: June 7, 1991

STIPULATION AND CONSENT TO ISSUANCE OF
ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS") by and through its Deputy Regional Director for the Cincinnati District Office of OTS and Suburban Federal Savings Bank, Cincinnati, Ohio ("Suburban"), stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative Cease and Desist proceeding against Suburban pursuant to the Federal Deposit Insurance Act, § 8(b), 12 U.S.C.A. § 1818(b) (West 1989). Suburban desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease and desist litigation against Suburban with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) Suburban is a "savings association" and an "insured depository institution" as defined by 12 U.S.C.A. §§ 1462 and 1813 (West 1989 and Supp. 1990).

(b) The Director of OTS is the "appropriate Federal Banking agency" to maintain a cease and desist proceeding against such savings association, pursuant to 12 U.S.C.A. § 1818(b) (West 1989), therefore, Suburban is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against it.

3. Consent. Suburban consents to the issuance by the OTS of the Order. It further agrees to comply with the terms of the Order upon its issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under 12 U.S.C.A. § 1818(b) (West 1989). Upon its issuance by the Cincinnati District Office, OTS, it shall be a final Order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C.A. § 1818(i) (West 1989).

5. Waivers. Suburban waives its right to a notice of charges and the administrative hearing provided by 12 U.S.C.A. § 1818(b) (West 1989), and further waives its right to seek judicial review of the Order, including any such right provided by 12 U.S.C.A. § 1818(h) (West 1989), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Deputy Regional Director for the Cincinnati District Office, OTS, and Suburban by a majority of its directors, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

/s/

Thomas A. Hamilton
Deputy Regional Director
Cincinnati District Office
Office of Thrift Supervision

Suburban Federal Savings Bank
Cincinnati, Ohio
by a majority of its directors

/s/

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ORDER TO CEASE AND DESIST

WHEREAS, Suburban Federal Savings Bank, Cincinnati, Ohio ("Suburban"), through its directors, has executed a Stipulation and Consent to Issuance of Order to Cease and Desist ("Stipulation") which is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Deputy Regional Director for the Cincinnati District Office, and is incorporated herein by reference; and

WHEREAS, Suburban, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to the Federal Deposit Insurance Act, § 8(b), 12 U.S.C.A. § 1818(b) (West 1989).

NOW THEREFORE, IT IS ORDERED that Suburban shall cease and desist from violating its policies and procedures, including, but not limited to those governing underwriting, classification of assets, monitoring and establishment of general valuation allowances. Further, Suburban shall abide by the terms of this Order, as follows:

1. Suburban shall prepare and implement an asset plan for each criticized or classified asset with an unpaid balance larger than \$200,000. For each asset, the plan shall provide sufficient detail

to allow the reader to fully understand the asset and its known or potential problems, specific detail as to the optimum way to protect the institution from loss, and adequate supporting rationale for the plan to be followed. The board of directors shall review and update this asset plan at least quarterly and shall submit a report of its review and any update to the Deputy Regional Director of the Cincinnati District or designee ("Deputy Regional Director") immediately thereafter.

2. Without the prior written approval of the Deputy Regional Director, Suburban shall not make the following types of loans:

- (a) loans secured by commercial real estate;
- (b) loans and other investments involving affiliated persons and their immediate families.

3. Suburban shall immediately adopt the classification of assets as recommended by the December 19, 1990 OTS Report of Examination.

4. Suburban shall establish general valuation allowances consistent with the recommendations in the December 19, 1990 OTS Report of Examination, and Suburban shall continue to reassess its need and establish adequate loss allowances in the future.

5. Suburban shall, within 30 days of the issuance of this Order, adopt a resolution governing the maximum aggregate compensation and fees of Chief Executive Officer Herbert A. Middendorff with detailed justification for said compensation. This resolution shall be submitted to the Deputy Regional Director for approval.

6. Suburban shall establish and utilize, on no less than an annual basis, written performance standards for all its officers, including the two senior executive officers.

7. Suburban shall confirm the results of the termination of the directors retirement plan immediately.

All technical words or terms used in this Order, for which meanings are not specified or otherwise provided herein, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, Home Owners' Loan Act, or the Federal Deposit Insurance Act, and any such technical words or terms used in this Order, and undefined by said statutes, rules and regulations shall have meanings that accord with the best custom and usage in the savings and loan industry.

This Order shall remain in effect until terminated by the OTS, acting through its Deputy Regional Director.

OFFICE OF THRIFT SUPERVISION

/S/

Thomas A. Hamilton
Deputy Regional Director
Cincinnati District Office
Office of Thrift Supervision