

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)

FIRST FEDERAL COMMUNITY)
BANK OF BUCYRUS,)
Bucyrus, Ohio (OTS No. 03920))

Re: Order No. NE 06-04

Dated: April 24, 2006

STIPULATION AND CONSENT TO ISSUANCE OF
AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

This Stipulation and Consent to Issuance of an Order of Assessment of Civil Money Penalties ("Stipulation"), which concerns the accompanying and above-referenced Order of Assessment of Civil Money Penalties (the "Order"), is submitted by **FIRST FEDERAL COMMUNITY BANK OF BUCYRUS**, Bucyrus, Ohio ("FIRST FEDERAL", OTS No. 03920), to the Office of Thrift Supervision ("OTS"), which is acting through its Northeast Regional Director ("Regional Director").

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed FIRST FEDERAL that the OTS is of the opinion that grounds exist to initiate administrative proceedings against FIRST FEDERAL pursuant to provisions of Section 8 of the Federal Deposit Insurance Act (the "FDIA"), 12 U.S.C. § 1818;¹ and

WHEREAS, FIRST FEDERAL, desiring to cooperate with the OTS and to avoid the time and expense of such administrative proceedings and, 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 to the following terms:

1. Jurisdiction.

(a) FIRST FEDERAL is a "savings association" within the meaning of 12 U.S.C. § 1813(b), and 12 U.S.C. § 1462(4). Accordingly, FIRST FEDERAL is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain administrative enforcement proceedings against savings

¹ All references in this Stipulation and in the Order are to the United States Code as amended.

associations. Therefore, FIRST FEDERAL is subject to the authority of the OTS to initiate and maintain administrative civil money penalty assessment proceedings against it pursuant to 12 U.S.C. § 1818(i)(2).

2. OTS Findings of Fact.

The OTS finds that, in September and October 2005, FIRST FEDERAL made two inadequately documented, unsecured loans (now repaid) to its holding company with non-arms-length terms in violation of the transactions-with-affiliate restrictions of 12 U.S.C. § 1468(a) and 12 C.F.R. § 563.41 (incorporating most provisions of 12 C.F.R. Part 223). In addition, in violation of 12 C.F.R. § 563.143, FIRST FEDERAL made dividend payments to its holding company, during 2005, in an amount exceeding the amounts covered by the OTS-approved Notices that had been filed by FIRST FEDERAL.

3. Consent.

(a) FIRST FEDERAL hereby consents to the issuance by the OTS of the Order.

(b) FIRST FEDERAL further agrees to comply with the terms of the Order upon its issuance. FIRST FEDERAL further stipulates and agrees that the Order complies with all requirements of law, as applicable.

4. Finality.

The Order is issued by the OTS under the authority of Section 8(i)(2) of the FDIA, 12 U.S.C. § 1818(i)(2). Upon the issuance of the Order by the OTS, acting by and through its Regional Director for the Northeast Region (which term also shall refer to the Regional Director's authorized designees), the Order shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers.

FIRST FEDERAL hereby waives the following:

- (i) The right to be served with a written notice of the OTS's charges;
- (ii) The right to an administrative hearing of the OTS's charges concerning the basis for issuance of the Order;
- (iii) The right to seek judicial review of either the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

- (iv) 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 federal statutes (*e.g.*, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412), under common law, or otherwise; and

6. Other Government Actions Not Affected.

FIRST FEDERAL acknowledges and agrees that its consent to the issuance of the Order does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of FIRST FEDERAL that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

7. Miscellaneous.

(a) The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

(b) The Board of Directors of FIRST FEDERAL has duly authorized FIRST FEDERAL to execute this Stipulation, to consent to the Order, and to make payment of the civil money penalties assessed by the Order. FIRST FEDERAL is submitting herewith a certified copy of said duly adopted board resolutions.

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

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

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

(f) This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative. The Order, however, will terminate automatically at 11:59 pm on the date on which the United States Government receives full payment of the civil money penalty assessed by the Order (in the manner required by the Order).

WHEREFORE, FIRST FEDERAL executes this Stipulation, intending to be legally bound hereby.

**FIRST FEDERAL COMMUNITY
BANK OF BUCYRUS**

signed
By: _____
Phillip W. Gerber
President

Date: April 18, 2006

Accepted by:
OFFICE OF THRIFT SUPERVISION

signed
By: _____
Robert C. Albanese
Regional Director

Date: See the date in the caption hereof

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In the Matter of)

FIRST FEDERAL COMMUNITY)
BANK OF BUCYRUS,)
Bucyrus, Ohio (OTS No. 03920))

Order No. NE 06-04

Date: April 24, 2006

ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, FIRST FEDERAL COMMUNITY BANK OF BUCYRUS ("FIRST FEDERAL", OTS No. 03920), Bucyrus, Ohio, has executed a STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES ("Stipulation"); and

WHEREAS, FIRST FEDERAL, by its execution of the Stipulation has consented and agreed to the issuance of this ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i)(2).¹

NOW THEREFORE, IT IS ORDERED that:

1. Assessment of Civil Money Penalties.

Within ten (10) calendar days of the Effective Date of this Order, FIRST FEDERAL shall pay the civil money penalty assessed hereby in the sum of Five Thousand Dollars (\$5,000.00), by tendering to the Office of Thrift Supervision a certified check (or bank draft) in said amount made payable to the order of the Treasurer of the United States. FIRST FEDERAL, using a reputable overnight delivery service, shall send (i) the above-required certified check (or bank draft), (ii) a cover letter referring to this Order and (iii) a copy of this Order, to the following address: Controller's Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C., 20552. On the same day FIRST FEDERAL sends the payment to the OTS's Controller's Division, it also shall send, by postage prepaid U.S. Mail, a copy of the certified check (or bank

draft) and the related cover letter to Steven A. Rosenberg, Esq., Office of Thrift Supervision, Harborside Financial Center Plaza Five, Suite 1600, Jersey City, New Jersey 07311.

2. Stipulation Incorporated.

The Stipulation is made a part hereof and is incorporated herein by this reference.

3. Effectiveness of Order.

This Order is and shall become effective on the date it is issued (the "Effective Date"), as is shown in the caption hereof.

OFFICE OF THRIFT SUPERVISION

s/ Robert C. Albanese

By: _____
Robert C. Albanese
Regional Director, Northeast Region

¹ All references to the United States Code (U.S.C.) are as amended.