

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of:

Re: 90-3034

YERKES & MICHELS,
JOHN D. CARROLL,
LOUIS H. MICHELS,
MICHAEL BALDASSARO, AND
RANDY HOFFMAN

Dated: December 11, 1990

The Former Audit Firm, Partners
and Senior Auditor of
First Federal Savings and Loan
Association of Independence,
Independence, Kansas

STIPULATION AND CONSENT TO ISSUANCE OF PART 513 ORDER

The Office of Thrift Supervision ("OTS") and Yerkes and Michels hereby agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate an administrative proceeding against Yerkes and Michels pursuant to Part 513 of the Rules and Regulations of the Office of Thrift Supervision ("OTS Regulations"), 12 C.F.R. §513 et seq. (1990). Yerkes and Michels desires to cooperate with the OTS to avoid the time and expense of such administrative litigation, and without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the

forbearance by the OTS from initiating such administrative litigation against Yerkes and Michels with respect to the matters covered in the accompanying Consent Order ("Order").

2. Jurisdiction.

(a) Yerkes & Michels is a partnership of certified public accountants which was engaged by First Federal Savings and Loan Association of Independence, Independence, Kansas ("First Federal") to audit First Federal's financial statements for the fiscal years ended September 30, 1988 and September 30, 1989, and to provide opinions on those financial statements. Yerkes & Michels performed such audits and provided such opinions to the OTS pursuant to Section 563.170 of the OTS Regulations, 12 C.F.R. §563.170 (1990). Accordingly, Yerkes & Michels was engaged in "practice" before the OTS as that term is defined in Section 513.2 of the OTS Regulations, 12 C.F.R. §513.2 (1990).

(b) First Federal is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owner's Loan Act of 1933 ("HOLA"), as amended by FIRREA, 12 U.S.C.S. §1813(c) (Law. Co-op. Supp. 1990).

(c) Pursuant to Section 3 of the HOLA, as amended by FIRREA, 12 U.S.C.S. §1463(a) (Law. Co-op. Supp. 1990), the Director of OTS may issue such regulations as the Director determines to be appropriate to carry out the responsibilities of the OTS. The Director has prescribed rules with respect to the

general practice before the OTS and rules describing the circumstances under which accountants may be suspended or debarred, either temporarily or permanently, from practicing before the OTS, 12 C.F.R. §§513 et seq. (1990). Therefore, Yerkes & Michels is subject to the authority of the OTS to initiate and maintain a suspension proceeding against it pursuant to Section 513.4 of the OTS Regulations, 12 C.F.R. §513.4 (1990).

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

4. Finality. The Order is issued under Part 513 of the OTS Regulations, 12 C.F.R. §§513 et seq. (1990). Upon its issuance by the OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1818(i) (Law. Co-op. Supp. 1990).

5. Waivers. Yerkes and Michels waives its right to a notice of charges and the administrative hearing provided by Section 513.4 of the OTS Regulations, 12 C.F.R. §513.4 (1990), waives any rights provided by Part 509 of the OTS Regulations, 12 C.F.R. §509 et seq. (1990), and further waives any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1818(h) (Law. Co-op. Supp. 1990), or otherwise to challenge the validity of the Order.

