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UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of: YERKES AND MICHELS The Former Audit Firm of First Federal Savings and Loan Association of Independence Independence, Kansas	Re: Resolution No. TOP-90-11 Dated: December 12, 1990

STIPULATION AND CONSENT TO ISSUANCE OF
ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its District Director for the Topeka District Office, 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 cease and desist proceeding against Yerkes and Michels pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub.L. No. 101-73, 103 Stat. 183 ("FIRREA"), 12 U.S.C.S. Section 1818(b) (Law. Co-op. Supp. 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 cease-and-desist litigation against Yerkes and Michels with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) Yerkes and Michels, an accounting firm that prepared annual audit reports for First Federal Savings and Loan Association of Independence, Independence, Kansas ("First Federal"), is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1813(u) (Law Co-op. Supp. 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, as amended by FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1813(c) (Law. Co-op. Supp. 1990).

(c) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the Director of OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association or its institution-affiliated parties. Therefore, Yerkes and Michels is subject to the authority of the OTS to initiate and maintain a cease-and-desist proceeding against it pursuant to Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1818(b) (Law. Co-op. Supp. 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 Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1818(b) (Law. Co-op. Supp. 1990). Upon its issuance by the District Director for the Topeka District Office, 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 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1818(b) (Law. Co-op. Supp. 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.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its District Director for the Topeka District Office, OTS, and Yerkes and Michels, by its partners, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

By: /S/
Ronald N. Karr
District Director
Topeka District Office

YERKES AND MICHELS

/S/ 12/3/90
Partner

/S/ 12/3/90
Partner

/S/ 12/3/90
Partner

Partner

UNITED STATES OF AMERICA
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OFFICE OF THRIFT SUPERVISION

In the Matter of: YERKES AND MICHELS The Former Audit Firm of First Federal Savings and Loan Association of Independence Independence, Kansas	Resolution No. TOP-90-11, Dated: December 12, 1990

ORDER TO CEASE AND DESIST

WHEREAS, Yerkes and Michels, has executed a Stipulation and Consent to Issuance of Order to Cease and Desist ("Stipulation") that is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its District Director for the Topeka District Office ("District Director"); and is incorporated herein by reference; and

WHEREAS, Yerkes and Michels, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to §8(b) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"), to be codified at 12 U.S.C.S. §1818(b) (Law. Co-op. Supp. 1990);

NOW, THEREFORE, IT IS ORDERED that Yerkes and Michels shall cease and desist from any violation of, or the aiding and abetting of any violation of:

a. Section 563.170 of the Rules and Regulations of the Office of Thrift Supervision ("OTS Regulations"), 12 C.F.R. §563.170 (1990);

b. Section 571.2 of the OTS Regulations, 12 C.F.R. §571.2 (1990);

c. Federal Home Loan Bank Board Bulletin PA-7a; and

d. Generally accepted auditing standards ("GAAS"), as promulgated and codified by the American Institute of Certified Public Accountants ("AICPA").

IT IS HEREBY FURTHER ORDERED that:

1. No later than twenty (20) days after the effective date of this Order, Yerkes and Michels ("Y&M") shall pay, by certified or cashier's check, the total sum of $51,340.00 to First Federal Savings and Loan Association of Independence, Independence, Kansas ("First FS&LA"). This sum represents reimbursement of the fees paid to Y&M by First FS&LA for preparation of the 1988 and 1989 annual audit reports.

2. Y&M shall indemnify First FS&LA for any and all additional costs and fees incurred by the institution concerning the preparation and reissuance of the 1988 and 1989 audits. For purposes of this paragraph, the term "additional costs" shall mean all costs and fees incurred by First FS&LA for preparation and reissuance of the 1988 and 1989 audit reports that exceed the total sum set forth in paragraph 1, above; provided, however, in no event shall such additional costs exceed $10,000. An agreement evidencing said indemnification shall be forwarded to the District Director for approval no later than seven (7) days following the effective date of this Order.

3. For a period of three (3) years from the effective date of this Order, Y&M shall not assign Mr. John D. Carroll to participate, in any manner, in the audit of any insured depository institution.

4. Y&M shall include the following requirements in the Firm's accounting and auditing policies, and shall maintain strict adherence to each of these requirements:

a. Each partner and staff assigned to all future Y&M audits of insured depository institutions shall possess the requisite credentials, technical training and proficiency to conduct or participate in the preparation of audits of those institutions. Minimum requirements for the satisfaction of this requirement shall include, but are not limited to:

(i) Each partner, manager and senior field auditor assigned to an audit engagement of an insured depository institution must be a certified public accountant

("CPA") licensed to practice by and in good standing with the State of Kansas Board of Accountancy;

(ii) Each partner, manager and senior field auditor assigned to an audit engagement of an insured depository institution must complete at least twenty (20) hours of continuing professional education (CPE) in one or more subjects relevant to audits of insured depository institutions in each calendar year, and no less than sixty (60) hours in any consecutive three year period.

(iii) Each staff member assigned to an audit engagement of an insured depository institution must have successfully completed a basic audit course that covers business risk and regulatory requirements of insured depository institutions.

b. Each partner, manager and staff member shall, in accordance with Section 571.2 of OTS Regulations and the applicable provisions of GAAS, be independent in fact and appearance of all insured depository institutions for which he provides audit or other attestation services. In addition, Y&M shall require the preparation of an annual statement of independence by each partner, manager and staff member. The statement of independence shall set forth, with specificity, each and every relationship that the respective partner, manager or staff member has or maintains with each of Y&M's clients; and shall further contain an attestation of independence, or lack thereof. These statements of independence shall be critically reviewed and evaluated by a designated "quality control" partner within the Firm, and shall be maintained by the Firm for a period of five (5) years. If, after making such an evaluation, Y&M cannot conclude that each partner, manager, and staff member is independent in fact and appearance from an insured depository institution client, then the engagement shall not be accepted.

5. Y&M shall prepare and perform all audits of insured depository institutions in accordance with GAAS including, but not limited to, the:

a. exercise of due professional care;

b. ensurance of adequate planning that includes the preparation of planning memoranda that identify areas of audit and operations risk based on a reivew of internal controls and following consultation with the appropriate regulatory authorities;

c. ensurance of adequate supervision of the audits;

d. obtainment of competent evidential material that supports management's representations in the financial statements;

e. obtainment of competent evidential material that supports the financial data and market assumptions in real estate appraisals; and

f. maintenance of the proper degree of independent mental attitude and professional skepticism in the conduct of the audit, including an independent review and evaluation of the insured depository institution's valuation of loans and real estate owned and its specific and general valuation allowances related to such assets.

6. Y&M shall periodically, but at a minimum tri-annually, have a peer review performed of its insured depository institution audit and accounting practices by an accounting firm competent to perform such review.

7. Y&M shall require each partner, manager and senior field auditor at the time they are assigned to an audit of an insured depository institution to read this Order and acknowledge that they have done so.

8. For a period of five (5) years from the effective date of this Order, Y&M shall provide to the OTS, on or before the 30th day of June in each year, a written report setting forth the manner and form in which it has complied with this Order during the previous calendar year.

9. For a period of five (5) years from the effective date of this Order, Y&M shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

10. For purposes of this Order, the phrase "insured depository institution" is defined to include savings and loan associations, commercial banks, credit unions and other similar entities that hold federally insured deposits, and their non-diversified holding companies.

11. All technical words or terms used in this Order, for which meanings are not specified or otherwise provided for by the provisions of this Order, shall, insofar as applicable, have

meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations or as such definition is amended after the execution of this Order, and any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, shall have meanings that accord with their best custom and usage in the savings and loan industry.

12. The terms and provisions of this Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

13. This Order shall remain in effect until terminated by the OTS.

OFFICE OF THRIFT SUPERVISION

/S/

Ronald N. Karr
District Director
Topeka District Office