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UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)	Order No.: MW-08-14
)	
INTER SAVINGS BANK, FSB)	Effective Date: September 16, 2008
)	
Maple Grove, Minnesota)	
OTS Docket No. 07071)	
)	

ORDER TO CEASE AND DESIST

WHEREAS, INTER SAVINGS BANK, FSB, Maple Grove, Minnesota, OTS Docket No. 07071 (Association), by and through its Board of Directors (Board) has executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS, the Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 USC § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Midwest Region (Regional Director), is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

1. The Association and its directors, officers, employees, and agents shall cease and desist from any action (alone or with others) for or toward causing, bringing about, participating in, counseling or aiding and abetting of any violations of:

Inter Savings Bank, FSB
OTS No. 07071
Order to Cease and Desist

a. The OTS regulations governing suspicious activity reports (SAR) and other reports and statements set forth in 12 CFR § 563.180 (the SAR Regulations);

b. The OTS regulations governing Customer Identification Procedures (CIP), including the implementing regulation jointly promulgated by the U.S. Department of the Treasury at 31 CFR 103.121 and by OTS at 12 CFR 563.177, which require a customer identification program to be implemented as part of the Bank Secrecy Act compliance program.

Suspicious Activity Reports.

2. By August 31, 2008, the Board shall establish and adopt specific policies and procedures to ensure the Association timely files accurate and complete SARs with appropriate regulatory agencies and law enforcement authorities in compliance with applicable laws and regulations. The policies and procedures adopted by the Board pursuant to this Paragraph 2 shall, at a minimum, include: (a) providing a review process and reporting procedure that includes the involvement of the Association's BSA Officer for any transactions identified as unusual or suspicious; and (b) establishing specific procedures and requirements to ensure that all branch office personnel appropriately identify transactions that may require a SAR filing and fully comply with the review process and reporting procedure for such transactions.

3. By August 31, 2008, the Board shall conduct a review of all mortgage loans held within the Association's portfolio, including loans funded and/or purchased from brokers, for any instances of suspicious or potentially fraudulent transactions. Upon the discovery of any instance of such transaction in a loan file, including invalid social security numbers, the Association shall immediately file a SAR. The review required by this paragraph shall be conducted by either the Board or through a qualified, independent third party with knowledge of the Currency and Foreign Transactions Reporting Act, as amended by the USA Patriot Act and

other laws (the Bank Secrecy Act or BSA), 31 USC §§ 5311 et seq., and the related regulations issued and/or administered by the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN), 31 CFR §§ 103.11 et seq., and the related BSA regulations issued by OTS, 12 CFR § 563.177 (collectively the BSA Laws and Regulations), the SAR Regulations, and experience in compliance with the SAR filing requirements imposed by such laws and regulations. The Board shall also prepare and submit to the OTS, within 10 days of completion of the review required by this Paragraph 3, a report and listing of all of the Association's SAR filings as a result of this review.

Customer Identification Policy.

4. By August 31, 2008, the Association must review, and if necessary, revise the Association's BSA Compliance Program to include customer identification policies, procedures and processes (CIP Policy) that are adequate and effective to ensure the Association complies with all applicable laws, regulations, and regulatory guidance including 31 CFR § 103.121 and 12 CFR 563.177(b). The CIP Policy also must include the requirement to timely obtain and maintain appropriate customer identification, including validating social security numbers.

5. Within ten (10) days of completion of the review and revision called for in Paragraph 4 of this Order, the Board shall submit a report of its findings to the OTS.

Compliance Committee.

6. Within thirty (30) days of the Effective Date of this Order, the Board shall appoint a committee (the Compliance Committee) comprising three (3) directors, the majority of whom shall be independent of Management, to review and ensure the Association's compliance with the provisions of this Order and the completion of all corrective actions required by this Order. Within thirty (30) days after appointment, the Compliance Committee shall provide the Board

with a written report and recommendation for any corrective actions to address the requirements of this Order. The Board shall review the Compliance Committee's report and take any actions necessary to correct any deficiencies noted. The Board's review and actions taken shall be fully documented in the Board meeting minutes. A copy of the Compliance Committee's report and Board meeting minutes reviewing such report shall be provided to the Regional Director within ten (10) days after the Board meeting reviewing the Compliance Committee's report.

Effective Date, Incorporation of Stipulation.

7. 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.

Duration.

8. This Order shall remain in effect until terminated, modified or suspended, by written notice of such action by OTS, acting by and through its authorized representatives.

Time Calculations.

9. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be calendar based, unless otherwise noted.

10. The Regional Director may extend any of the deadlines set forth in the provisions of this Order upon written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

11. All submissions, including progress reports, to OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

12. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S

mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

(i) To OTS:

**C. K. Lee, Regional Director
Office of Thrift Supervision
225 E. John Carpenter Freeway, Suite 500
Irving, Texas 75062-2326**

(ii) To the Association:

**Fred B. Stelter
Inter Savings Bank, FSB
13601 80th Circle North, Suite 100
Maple Grove, Minnesota 55369**

No Violations Authorized.

13. Nothing in this Order or the Stipulation shall be construed as allowing the Association, its Board, officers or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____ /S/

C. K. Lee
Regional Director, Midwest Region

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
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OFFICE OF THRIFT SUPERVISION

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INTER SAVINGS BANK, FSB)	Effective Date: September 16, 2008
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Maple Grove, Minnesota)	
OTS Docket No. 07071)	

STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Midwest Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed INTER SAVINGS BANK, Maple Grove, Minnesota, OTS Docket No. 07071 (Association) that OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 USC § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS, the Association desires to cooperate with OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to the Issuance of Order to Cease and Desist (Stipulation) 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) the Association is a “savings association” within the meaning of 12 USC § 1813(b) and 12 USC § 1462(4). Accordingly, the Association is “an insured depository institution” as that term is defined in 12 USC § 1813(c); and

(b) Pursuant to 12 USC § 1813(q), the Director of OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 USC § 1818(b).

2. OTS Findings of Fact.

Based on its April 28, 2008 examination of the Association, OTS finds that the Association has engaged in unsafe and unsound banking practices, including violations of the Currency and Foreign Transactions Reporting Act, as amended by the USA Patriot Act and other laws (the Bank Secrecy Act or BSA), 31 USC § 5311 et seq.; the related BSA regulations issued by the U. S. Department of the Treasury, 31 CFR 103.121 and the OTS, 12 CFR § 563.177; and the OTS regulations governing suspicious activity reports (SAR) set forth in 12 CFR § 563.180.

3. Consent.

The Association consents to the issuance by OTS of the accompanying Order to Cease and Desist (Order). The 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.

The Order is issued by OTS under 12 USC § 1818(b) and upon the Effective Date it shall be a final order, effective and fully enforceable by OTS under the provisions of 12 USC § 1818(i).

5. Waivers.

The Association waives the following:

(a) The right to be served with a written notice of OTS's charges against it as provided by 12 USC § 1818(b) and 12 CFR Part 509;

(b) The right to an administrative hearing of OTS's charges as provided by 12 USC § 1818(b) and 12 CFR Part 509;

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

(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.

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 the Association if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

7. Other Governmental Actions Not Affected.

The Association acknowledges and agrees that its consent to the issuance of the 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 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 of 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 the 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;

(e) The terms of this Stipulation and of the Order represent the final 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; and

(f) The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by OTS, acting through its Regional Director or other authorized representative.

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 the Association to the issuance of the Order and the execution of the Stipulation.

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**Inter Savings Bank, FSB
Maple Grove, Minnesota**

**OFFICE OF THRIFT SUPERVISION
Midwest Region**

Accepted by a majority of its directors

By: _____ /S/
Ronald R. Fletcher, Director and
Chairman of the Board

By: _____ /S/
C. K. Lee
Regional Director
Midwest Region

Date: 9/10/2008

_____/S/
Fred B. Stelter, Director

_____/S/
Sally Swanson, Director

_____/S/
Richard D. Hillyer, Director

_____/S/
Lawrence E. Stirtz, Director