

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

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| In the Matter of: |) | |
| Joseph B. Frederick |) | |
| Director |) | AA-EC-05-01 |
| First National Bank of Northern Kentucky |) | |
| (now known as First Bank of Northern Kentucky) |) | |
| Ft. Mitchell, Kentucky |) | |

STIPULATION AND CONSENT ORDER

WHEREAS, the Acting Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate a civil money penalty action against Joseph B. Frederick (“Respondent”) pursuant to 12 U.S.C. § 1818(i) (as amended) relating to the alleged noncompliance in 2003 by the First National Bank of Northern Kentucky, Ft. Mitchell, Kentucky (“Bank”) (now known as First Bank of Northern Kentucky) with 12 U.S.C. § 161(a) (as amended);

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, the Respondent, without admitting or denying any wrongdoing, and the Comptroller desire to enter into this Stipulation and Consent Order (“Order”) issued pursuant to 12 U.S.C. § 1818(i) as amended;

NOW, THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through her duly authorized representative, and Respondent that:

Article I

JURISDICTION

(1) The Bank was a national banking association until December 24, 2003, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 et seq. Accordingly, the Bank was an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) Respondent was a Director of the Bank while it was a national banking association and is an “institution-affiliated party” of the Bank as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years from the date hereof (see 12 U.S.C. § 1818(i)(3)).

(3) Pursuant to 12 U.S.C. § 1813(q), and for purposes of this Order (including, if necessary, the enforcement of the terms of this Order as set forth in Article III, paragraph 6), the Comptroller is the “appropriate Federal banking agency” to maintain an enforcement proceeding against institution-affiliated parties. Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain this civil money penalty proceeding against him pursuant to 12 U.S.C. § 1818(i).

Article II

CIVIL MONEY PENALTY

(1) Without admitting or denying any wrongdoing, Respondent hereby consents to the payment of a civil money penalty in the amount of two thousand dollars (\$2,000), which shall be paid upon the execution of this Order. Respondent shall make payment in full by a

check made payable to the Treasurer of the United States and shall deliver the payment to: Comptroller of the Currency, P.O. Box 9012, St. Louis, Missouri 63197-9012. The case number, AA-EC-05-01, should be entered on the memo line of the check. A copy of the check shall be sent to the Director, Enforcement & Compliance, Office of the Comptroller of the Currency, 250 E St., SW, Washington, D.C. 20219.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(h) and (i) (as amended).

Article III

WAIVERS

- (1) By executing this Order, Respondent waives:
 - (a) the right to the issuance of Notice under 12 U.S.C. § 1818(i);
 - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i) and 12 C.F.R. Part 19;
 - (c) all rights to seek judicial review of this Order;
 - (d) all rights in any way to contest the validity of this Order; and
 - (e) any and all claims for fees, costs or expenses against the Comptroller, or any of her agents or employees, related in any way to this enforcement matter or this Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

(2) Respondent shall not cause, participate in or authorize the Bank (or any successor, subsidiary, or affiliate thereof) to incur, directly or indirectly, any expense for the payment of the civil money penalty under this Order, or any legal (or other professional) expense relative to the negotiation and issuance of this Order except in accordance with 12 C.F.R. § 7.2014 and Part 359; and Respondent shall not, directly or indirectly, obtain or accept any indemnification (or other reimbursement) from the Bank (or any successor, subsidiary, or affiliate thereof) with respect to such amounts except in accordance with 12 C.F.R. § 7.2014 and Part 359.

(3) Respondent acknowledges that he has read and understands the premises and obligations of this Order and declares that no separate promise or inducement of any kind has been made by the Comptroller, her agents or employees to cause or induce the Respondent to agree to consent to the issuance of this Order and/or to execute this Order.

(4) It is hereby agreed that the provisions of this Order constitute a settlement of this civil money penalty proceeding contemplated by the Comptroller. The Comptroller agrees not to institute proceedings for the specific acts or omissions regarding or relating to the subject matter at issue herein, including (i) all Call Reports filed by the Bank after December 31, 2000 and before the execution of this Order, and (ii) any and all prior formal and informal enforcement actions and written communications related to such actions (all as described in PPM 5310-3 (REV) and PPM 5000-7 (REV)), that involve the Bank or the Respondent.

(5) It is further agreed that the provisions of this Order shall not be construed as an adjudication on the merits and, except as set forth above, shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting the Respondent if, at any time, he/she deems it appropriate to do so to fulfill the responsibilities placed upon him/her by the several laws of the United States of America.

(6) Respondent understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and that nothing herein constitutes, nor shall Respondent contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

IN TESTIMONY WHEREOF, the undersigned have hereunto set their hands.

/s/ Ronald G. Schneck

6/8/05

Ronald G. Schneck
Director
Special Supervision Division

Date

5/5/05

/s/

Joseph B. Frederick

Date