

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

<b>In the Matter of:</b>	)	
Financial Management Consulting Group, LLC	)	
(formerly known as Financial Management Consulting	)	AA-EC-05-08
Group)	)	
Consultant to	)	
First National Bank of Northern Kentucky	)	
Ft. Mitchell, Kentucky	)	
(now known as First Bank of Northern Kentucky)	)	

**STIPULATION AND CONSENT ORDER**

WHEREAS, the Acting Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist and civil money penalty proceedings against Financial Management Consulting Group, LLC, a Kentucky limited liability company, (“Respondent”) pursuant to 12 U.S.C. §§ 1818 (b) and (i) (as amended).

WHEREAS, Respondent, formerly known as Financial Management Consulting Group, participated in a violation of 12 U.S.C. § 161(a) by the First National Bank of Northern Kentucky, Ft. Mitchell, Kentucky (now known as First Bank of Northern Kentucky) (“Bank”) by providing loan review services to the Bank which the Comptroller considers deficient and which were relied upon by the Bank.

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, Respondent, by and through its duly authorized Manager, 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(b) and (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, through its duly authorized representative, 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 consultant to the Bank 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), 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 these cease and desist and civil money penalty proceedings against it pursuant to 12 U.S.C. § 1818(b) and (i).

## Article II

### CEASE AND DESIST ORDER

(1) Pursuant to the authority vested in her by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that when Respondent undertakes responsibility to perform loan reviews or other services for a depository institution, it shall:

- (a) Comply with all laws and regulations applicable to the depository institution for which it performs services and that relate to the services it performs;
- (b) Avoid engaging in unsafe or unsound practices, as that term is used in Title 12 of the United States Code;
- (c) Not breach any fiduciary duty it owes to any depository institution and avoid placing its own interests above those of the institution;
- (d) Avoid conflicts of interest that might improperly influence the loan review or other services it performs;
- (e) Consider and follow regulatory guidance provided by the appropriate Federal banking agency in connection with loan and lease evaluations and establishment of appropriate reserves applicable to such depository institution including, for national banks, the “Comptroller’s Handbook, Allowance for Loan and Lease Losses” as currently in effect and as may be amended from time to time; and
- (f) Adhere to the written policies and procedures, including any applicable conflicts of interest policy, of such depository institution client applicable to Respondent, or seek and receive written permission from appropriate authorized individuals of such depository institution to do otherwise.

(2) If, at any time, Respondent is uncertain whether a situation implicates Paragraph (1) of this Article, or if Respondent is uncertain about its duties arising from Paragraph (1) of this Article, it shall obtain and abide by the written advice of counsel regarding the duties and responsibilities with respect to the matter.

(3) To comply with Paragraph (2) of this Article, Respondent shall, at its own expense, engage experienced counsel who is in no way affiliated with the depository institution and who has never been subject to any formal sanctions by any Federal banking agency, either by agency order or consent, as disclosed on the Federal banking agencies' web sites.

(4) This Order shall be binding upon and enforceable against Respondent and each of its officers, members of its Board of Managers, managers, directors, owners, and its successors and assigns.

(5) For purposes of this Order, the term "depository institution" shall include all institutions described in 12 U.S.C. §§ 1813(c)(1), (c)(2) and (c)(3), credit unions as defined in 12 U.S.C. § 1752(1), and any subsidiaries of such institutions or entities; and shall also include any bank holding company as defined in 12 U.S.C. § 1841(a) and any savings and loan holding company as defined in 12 U.S.C. §§ 1467a(a)(D)-(F).

(6) 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(b).

### Article III

#### CIVIL MONEY PENALTY ORDER

(1) Without admitting or denying any wrongdoing, Respondent hereby consents to the payment of a civil money penalty in the amount of nine thousand seven hundred fifty dollars (\$9,750.00), 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 979012, St. Louis, Missouri 63197-9000. The case number, AA-EC-05-08, 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 IV

#### WAIVERS

- (1) By executing this Order, Respondent waives:
  - (a) the right to the issuance of a Notice of Charges for an Order to Cease and Desist and a Notice of Civil Money Penalty Assessment under 12 U.S.C. § 1818(b) and (i);
  - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(b) and (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 as permitted by 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 as permitted by 12 C.F.R. § 7.2014 and Part 359.

(3) Respondent acknowledges that it 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 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 these cease and desist and civil money penalty proceedings contemplated by the Comptroller against Respondent and its officers, managers and employees. The Comptroller agrees not to institute proceedings for the specific acts or omissions regarding or relating to the subject matter at issue herein, including 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, its officers, managers or employees.

(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 in Paragraph (4) of this Article, shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting 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 representative 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.

Signed

7/22/05

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Ronald G. Schneck  
Director  
Special Supervision Division

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Date

Signed

7/12/05

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Financial Management Consulting Group, LLC  
a Kentucky limited liability company  
By: W. Timothy Finn II, Manager

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Date