

**UNITED STATES OF AMERICA**  
**Before the**  
**OFFICE OF THRIFT SUPERVISION**

In the Matter of )

**FIRST FEDERAL SAVINGS BANK** )  
**OF EASTERN OHIO,** )  
Zanesville, Ohio )  
(OTS No. 01979) )

Re: Order No. NE 04-11

Date: December 6, 2004

**STIPULATION AND CONSENT TO ISSUANCE OF**  
**AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES**

This Stipulation and Consent to Issuance of an Order of Assessment of Civil Money Penalties ("Stipulation"), which concerns the accompanying and above-referenced Order of Assessment of Civil Money Penalties (the "Order"), is submitted by **FIRST FEDERAL SAVINGS BANK OF EASTERN OHIO** (the "Savings Bank", OTS No. 01979), to the Office of Thrift Supervision ("OTS"), which is acting through its Northeast Regional Director ("Regional Director").

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed the Savings Bank that the OTS is of the opinion that grounds exist to initiate administrative proceedings against the Savings Bank pursuant to 12 U.S.C. § 1818,<sup>1</sup> and

WHEREAS, the Savings Bank, desiring to cooperate with the OTS and to avoid the time and expense of such administrative proceedings 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 Savings Bank is a "savings association" within the meaning of 12 U.S.C. § 1813(b), and 12 U.S.C. § 1462(4). Accordingly, the Savings Bank is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

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<sup>1</sup> All references in this Stipulation and in the Order are to the United States Code as amended.

(b) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain administrative enforcement proceedings against savings associations. Therefore, the Savings Bank is subject to the authority of the OTS to initiate and maintain administrative civil money penalty assessment proceedings against it pursuant to 12 U.S.C. § 1818(i)(2).

**2. OTS Findings of Fact.**

The OTS, in the course of its examination and supervision of the Savings Bank, has found:

- (i) The Savings Bank, due to weaknesses in internal controls and procedures, failed to retain numerous signature cards, signed by the Savings Bank's deposit account customers, in violation of Section 103.34(b)(1) of the Treasury Department's regulations implementing the Bank Secrecy Act ("BSA"), 31 C.F.R. § 103.34(b)(1); and
  - (ii) The Savings Bank had weaknesses in its policies and procedures for implementing the aggregation and reporting requirements of 31 C.F.R. § 103.29(b) of the Treasury Department BSA Regulations, contrary to the requirement of the OTS's BSA regulation at 12 C.F.R. § 563.177, which requires an effective anti-money laundering program.
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**3. Consent.**

(a) The Savings Bank hereby consents to the issuance by the OTS of the Order.

(b) The Savings Bank further agrees to comply with the terms of the Order upon its issuance. The Savings Bank further stipulates and agrees that the Order complies with all requirements of law, as applicable.

**4. Finality.**

The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(i)(2). Upon the issuance of the Order by the OTS, acting by and through the undersigned Regional Director (which term also shall refer to the Regional Director's authorized designees), the Order shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

**5. Waivers.**

The Savings Bank hereby waives the following:

- (i) The right to be served with a written notice of the OTS's charges;
- (ii) The right to an administrative hearing of the OTS's charges concerning the basis for issuance of the Order;

- (iii) The right to seek judicial review of either the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;
- (iv) 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 federal statutes (*e.g.*, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412), under common law, or otherwise; and
- (v) The right to assert as the basis for a claim of double jeopardy (in any pending or future proceeding brought against the Savings Bank by any governmental entity including but not limited to the United States Department of Justice) the following: the OTS's issuance of the Order, administrative proceedings (if any) relative to the issuance of the Order, the Savings Bank's consent to issuance of the Order, and/or the payment of any monies or the provision of any other financial relief contemplated by the Order.

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**6. Other Government Actions Not Affected.**

The Savings Bank acknowledges and agrees that its consent to the issuance of the Order does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Savings Bank that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

**7. Miscellaneous.**

(a) The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

(b) The Board of Directors of the Savings Bank has duly authorized the Savings Bank to execute this Stipulation, to consent to the Order, and to make payment of the civil money penalty assessed by the Order. The Savings Bank is submitting herewith a certified copy of said duly adopted board resolutions.

(c) All references to the 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 such headings shall not affect the interpretation of this Stipulation or the Order.

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

(f) This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative. The Order, however, will terminate automatically at 11:59 pm on the date on which the Government/OTS receives full payment of the penalty assessed by the Order.

**WHEREFORE**, the Savings Bank executes this Stipulation, intending to be legally bound hereby.

**FIRST FEDERAL SAVINGS BANK  
OF EASTERN OHIO**

Accepted by:  
**OFFICE OF THRIFT SUPERVISION**

By: 

William Plummer  
President

Date: December 3, 2004

By: 

Robert C. Albanese  
Regional Director

Date: See the date in the caption hereof

**UNITED STATES OF AMERICA**  
**Before the**  
**OFFICE OF THRIFT SUPERVISION**

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In the Matter of )	
)	Order No. NE 04-11
<b>FIRST FEDERAL SAVINGS BANK</b> )	
<b>OF EASTERN OHIO,</b> )	Date: December 6, 2004
Zanesville, Ohio )	
(OTS No. 01979) )	
_____ )	

**ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES**

WHEREAS, **FIRST FEDERAL SAVINGS BANK OF EASTERN OHIO** (the "Savings Bank", OTS No. 01979), Zanesville, Ohio, has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES ("Stipulation"); and

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WHEREAS, the SAVINGS BANK, by its execution of the Stipulation has consented and agreed to the issuance of this ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i)(2).<sup>1</sup>

**NOW THEREFORE, IT IS ORDERED that:**

**1. Assessment of Civil Money Penalties.**

Within ten (10) calendar days of the Effective Date of this Order, the SAVINGS BANK shall pay the civil money penalty assessed hereby in the sum of Seven Thousand Five Hundred Dollars (\$7,500.00), by tendering to the Office of Thrift Supervision a certified check (or bank draft) in said amount made payable to the order of the Treasurer of the United States. The SAVINGS BANK, using a reputable overnight delivery service, shall send (i) the above-required certified check (or bank draft), (ii) a cover letter referring to this Order and (iii) a copy of this Order, to the following address: Controller's Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C., 20552. On the same day the SAVINGS BANK sends the payment to the

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<sup>1</sup> All references to the United States Code (U.S.C.) are as amended.

OTS's Controller's Division, it also shall send, by postage prepaid U.S. Mail, a copy of the certified check (or bank draft) and the related cover letter to Steven A. Rosenberg, Esq., Office of Thrift Supervision, Harborside Financial Center Plaza Five, Suite 1600, Jersey City, New Jersey 07311.

**2. Stipulation Incorporated.**

The Stipulation is made a part hereof and is incorporated herein by this reference.

**3. Effectiveness of Order.**

This Order is and shall become effective on the date it is issued (the "Effective Date"), as is shown in the caption hereof.

**OFFICE OF THRIFT SUPERVISION**

By:   
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Robert C. Albanese  
Regional Director, Northeast Region