

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
)
THOMAS A. SCATIZZI)
)
President and Director of)
Central West End Bank, A)
Federal Savings Bank)
St. Louis, Missouri)
_____)

Re: Resolution No.
DM-92-04
Dated: January 23, 1992

STIPULATION AND CONSENT TO THE ENTRY
OF A ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office, and Thomas A. Scatizzi ("Scatizzi"), President and Director, Central West End Bank, A Federal Savings Bank, St. Louis, Missouri ("Central West End" or the "Institution"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that Scatizzi, as an officer and director of Central West End, has violated Section 11(b) of the Home Owners Loan Act ("HOLA"), 12 U.S.C. § 1468(b) (Supp. I 1989), 12 C.F.R. SECTION 215.4 (1991), Section 22(h)(4) of the Federal Reserve Act, 12 U.S.C. § 375b(4) (1988 & Supp. I 1989), and 12 C.F.R. Sections 563.43, 563.93 and 563.233 (1991), thereby providing grounds to initiate an administrative cease and desist proceeding against Scatizzi, 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 ("FIRREA"), 12 U.S.C. § 1818(b) (1988 & Supp. I 1989).

Scatizzi desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation. Without admitting or denying the statements, conclusions, or terms herein, Scatizzi hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating an administrative cease and desist proceeding against him with respect to the findings of the Institution's May 22, 1991 Report of Examination. The OTS has determined that it is appropriate and in the best interest of the public to execute the Stipulation and the attached Order to Cease and Desist ("Order").

2. Jurisdiction. The OTS is of the opinion that:

(a) Scatizzi was at all times relevant hereto an officer and director of Central West End. Accordingly, Scatizzi 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. § 1813(u) (1988 & Supp. I 1989).

(b) The Central West End is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b) (1988 & Supp. I 1989) and Section 2(4) of the Home Owners' Loan Act of 1933, as amended by FIRREA, 12 U.S.C. § 1462(4) (Supp. I 1989). 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. § 1813(c) (1988 & Supp. I 1989).

(c) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against a savings association or its institution-affiliated parties. Therefore, Scatizzi is subject to the authority of the OTS to initiate and maintain a cease-and-desist proceeding against him pursuant to Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989).

(d) On or about January 31, 1991, Scatizzi approved a \$49,000 unsecured commercial loan to an affiliated person of the Institution. This transaction was recorded on the books and records of Central West End as an "accounts receivable." This loan exceeded Scatizzi's lending authority and had not been approved by Central West End's board of directors ("board") at the time it was made. Scatizzi's failure to obtain prior board approval and the recording of this loan as an account receivable resulted in a failure to disclose this loan to the OTS and caused Central West End to violate 12 C.F.R. Sections 563.43(b) and 563.233.

(e) On or about February 25, 1991, Scatizzi approved a \$50,000 unsecured commercial loan to an affiliated person of the Institution. This transaction was also recorded on the books and records of the Institution as an "accounts receivable." This loan exceeded Scatizzi's lending authority and had not been approved by Central West End's board at the time it was made. Scatizzi's failure to obtain prior board approval and the recording of this

loan as an account receivable resulted in a failure to disclose this loan to the OTS and, again caused the Institution to violate 12 C.F.R. Sections 563.43(b) and 563.233.

3. Consent. Without admitting or denying the need or basis therefor, Scatizzi consents to the issuance by the OTS of the Order. He further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989).

4. Finality. The Order is issued under Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989). Upon its issuance, 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. § 1818(i) (1988 & Supp. I 1989).

5. Waivers. Scatizzi waives his 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. § 1818(b) (1988 & Supp. I 1989), 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. § 1818(h) (1988 & Supp. I 1989), or otherwise to challenge the validity of the Order.

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:

THOMAS A. SCATIZZI

President and Director of
Central West End Bank, A
Federal Savings Bank
St. Louis, Missouri

Re: Resolution No. DM-92-04

Dated: January 23, 1992

ORDER TO CEASE AND DESIST

WHEREAS, Thomas A. Scatizzi ("Scatizzi"), as an officer and director of Central West End Bank, A Federal Savings Bank, St. Louis, Missouri ("Central West End" or the "Institution"), is an "institution-affiliated party" within the meaning of Section 3(u) 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. § 1813(u) (1988 & Supp. I 1989); and

WHEREAS, Scatizzi has executed a Stipulation and Consent to the Entry of a Order to Cease and Desist ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director; and

WHEREAS, without admitting or denying that the grounds exist therefor, Scatizzi has consented and agreed in the Stipulation to the issuance of this Order to Cease and Desist ("Order"), pursuant

to Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989);

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

- a. Section 11(b) of the Home Owners Loan Act ("HOLA"), 12 U.S.C. § 1468(b) (Supp. I 1989);
- b. Section 22(h)(4) of the Federal Reserve Act, 12 U.S.C. § 375b(4) (1988 & Supp. I 1989);
- c. Part 215 of the Federal Reserve Board Rules and Regulations (Regulation O), 12 C.F.R. Part 215 (1991);
- d. Section 563.43(b) of the Rules and Regulations of the Office of Thrift Supervision ("OTS Regulations"), 12 C.F.R. Section 563.43(b) (1991);
- e. Section 563.93 of the OTS Regulations, 12 C.F.R. Section 563.93 (1991); and
- f. Section 563.233 of the OTS Regulations, 12 C.F.R. Section 563.233 (1991).

IT IS HEREBY FURTHER ORDERED that:

1. 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, FDIA, or HOLA, 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, FDIA, or HOLA, shall have meanings that accord with their best custom and usage in the savings and loan industry.

2. Scatizzi shall comply in all respects with 12 C.F.R. Part 215 (Regulation O), including ensuring that Central West End collects the appropriate fees and interest on all applicable overdrafts. Furthermore, Scatizzi shall ensure that Institution personnel are advised of, and comply with, the current overdraft policy adopted by the board of directors of Central West End.

3. Scatizzi shall comply in all respects with all lending and investment policies as adopted by the board of directors of Central West End from time to time. In addition, Scatizzi shall ensure that Institution personnel who have authority to approve loans are advised of, and comply with, the requirements of 12 C.F.R. Section 563.170(c).

4. Scatizzi shall ensure that Central West End complies in all respects with 12 C.F.R. Section 563.233. When issues arise that cause Scatizzi to be unsure about the appropriate accounting entries to be made on any loan or investment transaction of Central West End, Scatizzi shall obtain, or cause to be obtained, the written advice and guidance of the Institution's independent auditors.

5. Scatizzi shall comply in all respects with 12 C.F.R. Section 563.43. Prior to Central West End's origination of any loan to an affiliated person, Scatizzi shall ensure that the

