

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

FULLER  
OFFICE OF  
ENFORCEMENT

FEB 11 3 02 PM '92

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In the Matter of )  
 )  
Park View Federal Savings and ) Re: Resolution No.: CIN 92-1  
Loan Association ) Dated: February 3, 1992  
Cleveland, Ohio )  
\_\_\_\_\_)

STIPULATION AND CONSENT TO ENTRY  
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Central Region, OTS, and Park View Federal Savings and Loan Association, Cleveland, Ohio ("Park View"), stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Park View pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b). Park View desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease-and-desist litigation against Park View with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction. (a) Park View is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners'

Loan Act. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the Director of the OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such a savings association. Therefore, Park View is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against it pursuant to Section 8(b) of the FDIA, 12 U.S.C. § 1818(b).

3. Consent. Park View consents to the issuance by the OTS of the Order. It further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under Section 8(b) of the FDIA, 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director for the Central Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. Park View (i) waives its right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, 12 U.S.C. § 1818(b) with respect to matters covered in the Order, and (ii) waives any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order, with respect to matters covered in the Order.

**WHEREFORE**, in consideration of the foregoing, the OTS, by and through its Regional Director for the Central Regional Office, OTS, and



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	)	

ORDER TO CEASE AND DESIST

WHEREAS, Park View Federal Savings and Loan Association, Cleveland, Ohio ("Park View") through its board of directors, has executed a Stipulation and Consent to Entry of Order to Cease and Desist, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Central Region; and

WHEREAS, Park View, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(b).

NOW, THEREFORE, IT IS ORDERED THAT Park View and its directors, officers, employees, agents, and service corporations shall cease and desist from any action (alone or with another or others) or participating in, counseling or the aiding and abetting of any violation of:

1. (a) Section 22(h) of the Federal Reserve Act, pertaining to loans and extensions of credit to executive officers, directors, principal shareholders and related interests.

(b) 12 C.F.R. § 545.36, pertaining to loans to acquire or improve real estate (including the construction or rehabilitation of an individual single-family dwelling);

(c) 12 C.F.R. § 563.43, pertaining to restrictions concerning loans and other transactions with affiliated persons and their related interests;

(d) 12 C.F.R. § 563.93, pertaining to lending limitations for all loans and extensions of credit made by Park View and its subsidiaries;

(e) 12 C.F.R. § 563.160, pertaining to the classification of certain assets.

**IT IS FURTHER ORDERED THAT:**

2. Within 60 days from the date of this Order, Park View's Board of Directors shall adopt policies and management shall implement procedures to bring any non-conforming loan, line of credit or any other extension of credit into compliance with the lending limitations set forth at 12 C.F.R. 563.93, and 12 C.F.R. 32 (1991). In addition, complete and accurate loans-to-one-borrower reports shall be submitted to the Board for review on at least a monthly basis.

3. Park View shall not grant, extend, renew, or in any way modify any loan or extension of credit in violation of the lending limitations referenced in Paragraph 2 above.

4. Park View's Board of Directors shall approve any nonconforming loans and extensions of credit made under Paragraphs 2 and 3 above that are modified, extended, renewed or restructured, where the total amount of outstanding credits exceeds the lending limitations of 12 C.F.R. Sections 32 and 563.93. Management

must submit written documentation to the Board indicating efforts taken to bring those subject credits into compliance. Minutes of the appropriate Board meeting shall reflect the review of this information. The written report of management regarding its effort to achieve compliance with § 563.93 shall be approved by the Board, and be retained in the institution's files. Any such loans approved shall also be reviewed by the Board for compliance with: a) the requirements of the institution's policies; b) the terms of the specific loan or line of credit; and, c) the asset classification requirements of the institution.

5. Within 60 sixty days from the date of this Order, the Board shall adopt investment strategies and approve an Investment Policy. Such Policy shall, at a minimum include the requirements of 12 C.F.R. § 571.19.

6. Within 60 days of the date of this Order, the Board shall adopt and submit to the OTS for approval, a Conflict of Interest Policy. At a minimum, this policy shall specifically address loans and extensions of credit to affiliated persons and their related interests, as well as prohibited overdrafts on accounts held by executive officers and directors. The requirements of 12 C.F.R. Sections 563.41, 563.42 and 563.43, and Section 22(h) of the Federal Reserve Act should be specifically addressed.

7. Within 60 days from the date of this Order the Board shall adopt an Internal Audit Policy. The Policy shall include, but not necessarily be limited to, the following:

- a. The majority of the Audit Committee shall be comprised of directors who are not salaried officers or employees of Park View; and
- b. The Internal Auditor shall report directly to the Board.

8. Within 60 days from the date of this Order, the Board shall adopt and submit to OTS for approval, written policies and upon approval implement

procedures to insure that adequate written documentation is maintained in loan files and in the minutes of meetings of the Board and any committees.

9. Policies and procedures required by this Order are to be distributed to association personnel and are to be strictly adhered to by the Board, its directors, officers and employees.

10. a. Any report or other document required by this Order to be submitted to the OTS shall be filed with the Office of Thrift Supervision, 525 Vine Street, Suite 700, Cincinnati, Ohio 45202, Attn: Assistant Director. All reports and other documents shall be deemed filed when received by the OTS.

b. Although the Board is by this Order required to submit certain proposed actions and programs for the review or approval of the OTS Assistant Director or Deputy Regional Director or Regional Director, the Board has the ultimate responsibility for proper and sound management of Park View.

c. It is expressly and clearly understood that if, at any time, the OTS deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America to undertake any action affecting Park View, nothing in this Order shall in any way inhibit, estop, bar, or otherwise prevent the OTS from doing so.

d. Any time limitations imposed by this Order, shall begin to run from the effective date of this Order. Such time limitations may be extended by the OTS Deputy Regional Director or his/her designee for good cause upon written application by the Board.

e. All technical words or terms used in this Order, for which meanings are not specified or otherwise provided by the provision of this Order, shall, insofar as applicable, have meanings as defined in limitation, 12 C.F.R. § 500.1 et seq., § 541.1 et seq. and § 561.1 et seq. (1991). Any such technical words or terms used in this Order and undefined in said rules and regulations shall have meanings that accord with the best custom and usage in the thrift industry.

f. The terms and provisions of this Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

g. It is understood that the execution of this order shall not be construed as an approval of any application or notices that are contemplated by Park View.

h. In the event any provision of this Order shall be declared invalid, illegal, or unenforceable; the validity, legality, and enforceability of the remaining provision shall not in any way be affected or impaired thereby.

i. The section headings used in this Order are for convenience of reference only and are not to affect the construction of or be taken into consideration in the interpretation of this Order.

j. The provisions of this Order are effective upon issuance of this Order by the OTS, through its authorized representative whose hand appears below, and shall remain effective and enforceable, except to the

extent that, and until such time as, any provisions of this Order shall have been amended by mutual consent, or suspended, waived, or terminated by the OTS, acting through the Regional Director or his designee.

IT IS SO ORDERED, this 3rd day of February,  
1992.

THE OFFICE OF THRIFT SUPERVISION

/S/

~~Stuart M. Brafman~~  
Regional Director  
Central Region