

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of:

GEORGE M. HERSH, SR.

Chief Executive Officer and  
Chairman of the Board of  
Postal Savings and  
Loan Association  
Topeka, Kansas

Re: Resolution No.: KC-92-22

Dated: July 20, 1992

STIPULATION AND CONSENT TO ORDER OF  
ASSESSMENT OF CIVIL MONEY PENALTIES

The Office of Thrift Supervision ("OTS"), by and through its Interim Regional Director for the Midwest Regional Office, and George M. Hersh, Sr. ("Hersh"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that George M. Hersh, Sr. ("Hersh" or "Respondent"), as chief executive officer and chairman of the board of directors of Postal Savings and Loan Association, Topeka, Kansas ("Postal"), has violated certain provisions of the December 31, 1990 Supervisory Agreement, and is further of the opinion that Postal has violated Section 22(h) of the Federal Reserve Act, 12 U.S.C.S. § 375b (Law. Co-op. Supp. 1991), 12 C.F.R. Section 563.37(a), 12 C.F.R. Section 563.41, 12 C.F.R. Section 563.43(b)(1), 12 C.F.R. Section 563.160(c)(2), 12 C.F.R. Section

563.170(c), 12 C.F.R. Section 563.170(c)(1), 12 C.F.R. Section 563.176, 12 C.F.R. Section 564.8(c)(1), 12 C.F.R. Section 564.8(c)(2), 12 C.F.R. Section 571.9, and 12 C.F.R. Section 571.19. In the opinion of the OTS, these violations provide the grounds to initiate an administrative civil money penalty assessment proceeding against Hersh, as chief executive officer and chairman of the board of directors of Postal, pursuant to Sections 8(i)(2) and 18(j)(4) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.S. §§ 1818(i)(2), 1828(j)(4) (Law. Co-op. Supp. 1991).

Hersh desires to cooperate with the OTS to avoid the time and expense of such administrative litigation, and without admitting or denying that the above alleged violations occurred or that grounds for such proceeding exist, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative civil money penalty assessment proceeding against Hersh with respect to Postal's violations of certain provisions of the December 31, 1990 Supervisory Agreement, Section 22(h) of the Federal Reserve Act, 12 U.S.C.S. § 375b (Law. Co-op. Supp. 1991), 12 C.F.R. Section 563.37(a), 12 C.F.R. Section 563.41, 12 C.F.R. Section 563.43(b)(1), 12 C.F.R. Section 563.160(c)(2), 12 C.F.R. Section 563.170(c), 12 C.F.R. Section 563.170(c)(1), 12 C.F.R. Section 563.176, 12 C.F.R. Section 564.8(c)(1), 12 C.F.R. Section 564.8(c)(2), 12 C.F.R. Section 571.9, and 12 C.F.R. Section 571.19, respectively.

2. Jurisdiction.

(a) Postal is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act ("HOLA"), 12 U.S.C.S. §§ 1813(b), 1462(4) (Law. Co-op. Supp. 1991). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C.S. § 1813(c) (Law. Co-op. Supp. 1991).

(b) Hersh, as chief executive officer and chairman of the board of directors of Postal, is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C.S. § 1813(u) (Law. Co-op. Supp. 1991).

(c) As an institution-affiliated party, Hersh is subject to the authority of the OTS to initiate and maintain the assessment of a civil money penalty pursuant to Sections 8(i)(2) and 18(j)(4) of the FDIA, 12 U.S.C.S. §§ 1818(i)(2), 1828(j)(4) (Law. Co-op. Supp. 1991).

(d) Pursuant to Section 3 of the FDIA, the OTS is the "appropriate Federal banking agency" to maintain civil money penalty assessment proceedings against such an institution-affiliated party.

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

4. Finality. The Order is issued under Sections 8(i)(2) and 18(j)(4) of the FDIA, 12 U.S.C.S. §§ 1818(i)(2), 1828(j)(4) (Law. Co-op. Supp. 1991). Upon its issuance by the Interim

Regional Director for the Midwest Regional Office of the OTS, the Order shall be a final order, effective and fully enforceable by the OTS under the provisions of Sections 8(i)(1) and (2) of the FDIA, 12 U.S.C.S. §§ 1818(i)(1) and (2) (Law. Co-op. Supp. 1991).

5. Waivers. Hersh waives his right to a Notice of Assessment of Civil Money Penalties provided by Section 8(i)(2) of the FDIA, 12 U.S.C.S. § 1818(i)(2) (Law. Co-op. Supp. 1991), and the administrative hearing provided by Sections 8(i)(2)(H) and 18(j)(4)(F) of the FDIA, 12 U.S.C.S. §§ 1818(i)(2)(H), 1828(j)(4)(F) (Law. Co-op. Supp. 1991), and further ~~waives his~~ right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C.S. § 1818(h) (Law. Co-op. Supp. 1991), or to otherwise challenge the validity of the Order.

Hersh acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and Hersh's consent to the entry of the Order are for the purposes of resolving this OTS enforcement matter only, and do not resolve, affect or preclude any civil or criminal proceeding which may be brought against Hersh by OTS or another governmental entity.

By signing this document, Hersh agrees that he will not assert the assessment or payment of this penalty as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.



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ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, George M. Hersh, Sr. ("Hersh") has executed a Stipulation and Consent to Order of Assessment of Civil Money Penalties ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS") acting through the Interim Regional Director for the Midwest Regional Office; and,

WHEREAS, Hersh, in the Stipulation, has consented and without admitting or denying that grounds exist, has agreed to the issuance of this Order of Assessment of Civil Money Penalties ("Order"), pursuant to Sections 8(i)(2) and 18(j)(4) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.S. §§ 1818(i)(2), 1828(j)(4) (Law. Co-op. Supp. 1991);

