

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of
DOUGLAS C. ROESCH,
A Former Employee of
FIRST FEDERAL BANK OF OHIO,
Galion, Ohio (OTS No. 00041)

Re: Order No. NE-06-13
and NE-06-14

Dated: October 31, 2006

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

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Douglas C. Roesch ("ROESCH"), formerly an employee of First Federal Bank of Ohio, Galion, Ohio (the "Bank," OTS No. 00041), that the OTS is of the opinion that grounds exist to initiate administrative prohibition proceedings against ROESCH pursuant to provisions of Section 8(e) and Section 8(i)(2) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. §§ 1818(e) and 1818(i)(2),<sup>1</sup> and

WHEREAS, ROESCH desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings; and

WHEREAS, ROESCH, while admitting that the OTS has jurisdiction with respect to this matter (as addressed in Paragraph 1 below), neither admits nor denies (i) that the above-mentioned grounds exist, or (ii) the OTS Findings of Fact (in Paragraph 2 below), and, is of the understanding that this settlement is subject to Rule 408 of the Federal Rules of Evidence.

NOW, THEREFORE, DOUGLAS C. ROESCH hereby stipulates and agrees to the following:

1. Jurisdiction.

(a) First Federal Bank of Ohio is, and at all times relevant hereto has been, a "savings association" within the meaning of 12 U.S.C. §§ 1462(4) and 1813(b). Accordingly, the Bank is and has been an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

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

(b) ROESCH, having been an employee of the Bank at all times relevant hereto, is an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to initiate and maintain administrative enforcement proceedings against institution-affiliated parties of savings associations pursuant to 12 U.S.C. § 1818.

(d) ROESCH, having been an employee of the Bank within six years of the date hereof, is subject to the authority of the OTS to initiate and maintain administrative proceedings against him pursuant to 12 U.S.C. §§ 1818(e) and 1818(i)(2). See 12 U.S.C. § 1818(i)(3).

2. OTS Findings of Fact.

ROESCH had been an employee of the Bank until mid-August 2006, when the Bank terminated his employment. While employed by the Bank, ROESCH was responsible for filing with the federal government the Bank's currency transaction reports ("CTRs") and suspicious activity reports ("SARs"). During 2005 and 2006, ROESCH failed to file more than 200 Bank-staff-prepared CTRs and several Bank-staff-prepared SARs. ROESCH failed to notify the Bank's senior management of this breakdown in the Bank's implementation of its anti-money-laundering program, and he caused management and a review firm to misperceive that the required filings had been made. ROESCH, therefore, committed numerous violations of 31 C.F.R. § 103.22(b) and 12 C.F.R. §§ 563.180(d), which regulations implement requirements of subchapter II of chapter 53 of the U.S. Code's Title 31. See 12 U.S.C. § 1818(e)(2)(A)(i).

3. Consent.

ROESCH consents to the issuance by the OTS of the two accompanying orders: (i) Order of Prohibition (the "Prohibition Order"), and (ii) Order of Assessment of Civil Money Penalties ("CMP Order" and collectively with the Prohibition Order, the "Orders"). ROESCH further agrees to comply with the terms of both of the Orders upon their issuance and stipulates that the Orders comply with all requirements of law.

4. Finality.

The Prohibition Order is issued by the OTS under the authority of 12 U.S.C. § 1818(e)(2)(A), and the CMP Order is issued by the OTS under the authority of 12 U.S.C. § 1818(i)(2). Upon issuance of the Orders by the OTS (acting through its Regional Director) each of the Orders shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers.

ROESCH waives the following:

- (i) The right to be served with a written notice of the OTS' charges against him;
- (ii) The right to an administrative hearing of the OTS' charges against him;
- (iii) The right to seek judicial review of 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; and
- (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.

6. Indemnification.

ROESCH shall neither cause nor permit the Bank (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order. ROESCH also shall not obtain any indemnification (or other reimbursement) from the Bank (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of ROESCH in connection with this action shall be returned to the Bank (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

ROESCH acknowledges and agrees that his consent to the issuance of the Orders is for the purpose of resolving any and all administrative actions or other causes of action that the OTS has or may have against ROESCH relating to his acts and omissions while an employee of First Federal Bank of Ohio during 2005 and 2006, and neither this Stipulation nor the Orders release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of ROESCH that arise relative to his service at the Bank or otherwise, and that may be or have been brought by any other government entity other than the OTS.

8. Miscellaneous.

(a) The construction and validity of this Stipulation and of the Orders shall be governed by the laws of the United States of America.

(b) All references to the OTS in this Stipulation and in the Orders shall also mean any of the OTS's predecessors, successors, and assigns.



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OFFICE OF THRIFT SUPERVISION**

<b>In the Matter of</b>	)	
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<b>DOUGLAS C. ROESCH,</b>	)	Order No. NE-06-14
	)	
<b>A Former Employee of</b>	)	Dated: October 31, 2006
	)	
<b>FIRST FEDERAL BANK OF OHIO,</b>	)	
<b>Galion, Ohio (OTS No. 00041)</b>	)	

**ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES**

WHEREAS, DOUGLAS C. ROESCH (“ROESCH”) has executed the accompanying Stipulation and Consent to the Issuance of an Order of Prohibition and of an Order of Assessment of Civil Money Penalties (“Stipulation”); and

WHEREAS, ROESCH, by his execution of the Stipulation has consented and agreed to the issuance of this Order of Assessment of Civil Money Penalties (“CMP Order”) by the Office of Thrift Supervision (“OTS”), pursuant to 12 U.S.C. § 1818(i)(2).

NOW THEREFORE, IT IS ORDERED that:

1. Assessment.

(a) The OTS hereby assesses civil money penalties (“CMPs”) aggregating SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500.00) against ROESCH, and directs ROESCH to make full payment of such CMPs, as provided hereby.

(b) ROESCH may make payment of the CMPs in two equal installments of \$3,750 each, the first of which shall be due and payable no later than the 10<sup>th</sup> business day following the date of ROESCH’s execution of the Stipulation, and the second of which shall be due and payable no later than thirty (30) calendar days following the Effective Date of this CMP Order.

(c) ROESCH shall make payment of each of the above-required amounts by delivering to the OTS a certified check, official bank check, or money order in said amount made payable to the order of the Treasurer of the United States. ROESCH shall send each payment (via reputable overnight delivery service), together with (i) a cover letter referring to this Order and First Federal Bank of Ohio, and (ii) a copy of this Order, to the following address: Controller’s Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C.,

