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SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 4th day of August, 2000 (the "Effective Date"), by and between First Federal Savings and Loan Association of Bucyrus ("First Federal" or the "Association") OTS Docket No. 03920, a federally chartered stock association, having its main office located at 119 South Sandusky Avenue, Bucyrus, Ohio 44820 and the Office of Thrift Supervision ("OTS"), an office within the United States Department of the Treasury, having its principal executive offices located at 1700 G Street, N.W., Washington, D.C. 20552, acting through its Central Regional Director or his designee ("Regional Director"). It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS within the meaning of 12 U.S.C. §§ 1818(b)(1) and (i)(2).¹

WHEREAS, the OTS is the primary federal regulator of First Federal; and

WHEREAS, based on the Report of Compliance Examination dated February 22, 2000 ("Compliance ROE"), the OTS is of the opinion that First Federal has engaged in acts and practices that: (i) have resulted in violations of certain of the laws or regulations to which First Federal is subject, and/or (ii) are considered to be unsafe and unsound; and

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of administrative proceedings against First Federal; and

WHEREAS, the OTS is of the view that it is appropriate to take measures intended to ensure that First Federal will: (i) comply with all applicable laws and regulations, and (ii) engage in safe and sound practices; and

WHEREAS, First Federal, acting through its Board of Directors (the "Board"), wishes to cooperate with the OTS and to evidence the intent to: (i) comply with all applicable laws and regulations, and (ii) engage in safe and sound practices.

NOW THEREFORE, in consideration of the above premises and the mutual undertakings set forth herein, the parties hereto agree as follows:

COMPLIANCE MANAGEMENT

1. Compliance Officer.

Within thirty (30) days of the Effective Date, the Board shall provide the OTS with written certification that it has appointed a qualified individual to act as the Association's Compliance Officer. The Compliance Officer shall devote the time necessary to fulfill his or her duties and responsibilities consistent with the provisions contained in paragraph 2. The Board shall ensure that the Association maintains the position of Compliance Officer

¹ All references to the United States Code ("U.S.C.") are as amended, unless otherwise indicated.

consistent with the Compliance Program adopted pursuant to paragraph 2.

2. Compliance Program.

A. Within ninety (90) days of the Effective Date, the Compliance Officer shall develop, and the Board shall adopt, a written compliance program (the "Compliance Program") designed to ensure that the Association is operating in compliance with nondiscrimination, consumer protection, and other public interest laws and regulations. The Compliance Program shall include, but not necessarily be limited to, the following:

- i. incorporation of all eight (8) elements set forth in the "Components of an Effective Compliance Program" section of the October 1999 OTS handbook titled "Compliance: A Self-Assessment Guide", with emphasis on defined standards of accountability, ongoing monitoring, correction guidelines, and effective training;
- ii. policies and procedures covering nondiscrimination, consumer protection and public interest laws and regulations for use by Association personnel. Particular emphasis shall be placed on the Association's compliance with the Real Estate Settlement Procedures Act, the Truth-in-Lending Act, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, the Expedited Funds Availability Act, the Bank Secrecy Act, the Bank Protection Act, the Flood Disaster Protection Act, OTS Nondiscrimination regulations, the restrictions on Money Market Deposit Accounts set forth at 12 C.F.R. § 561.28, and the nondiscrimination advertising requirements set forth at 12 C.F.R. § 528.4;
- iii. a formal written training plan which contains provisions for the adequate training of Association personnel as to their duties and responsibilities under nondiscrimination, consumer protection, and other public interest laws and regulations;
- iv. provisions for ongoing periodic internal or external compliance audits to monitor the Association's compliance with nondiscrimination, consumer protection, and other public interest laws and regulations. Such compliance audits shall include transactional testing;
- v. procedures to ensure that exceptions noted in the compliance audits and through the Compliance Program are immediately addressed and corrected by appropriate Association personnel;
- vi. mechanisms for effective Board oversight, which shall include, at a minimum, quarterly regulatory compliance reports presented to the Board by the Compliance Officer;
- vii. a provision ensuring unrestricted access for the Compliance Officer to the Board; and,

viii. procedures for amending the Compliance Program to address changes to nondiscrimination, consumer protection, and other public interest laws and regulations, and as needed for new products and services offered by the Association.

B. Once the Compliance Program required under paragraph 2.A. has been adopted by the Board, the Association shall adhere to it in all material respects.

3. Real Estate Settlement Procedures Act

By execution of this Agreement, the Board commits that the Association will maintain escrow accounts in accordance with the requirements set forth in the Real Estate Settlement Procedures Act, 12 U.S.C. 2601 et seq. and under 24 C.F.R. § 3500.17.

4. Truth-in-Lending Act

By execution of this Agreement, the Board commits that the Association will comply with the disclosure requirements set forth in the Truth-in-Lending Act, 15 U.S.C. § 1601 et seq. and Regulation Z, 12 C.F.R. Part 226.

5. Equal Credit Opportunity Act

By execution of this Agreement, the Board commits that the Association will comply with the information collection requirements set forth in the Equal Credit Opportunity Act, 15 U.S.C. § 1601 et seq. and Regulation B, 12 C.F.R. Part 202.

6. Home Mortgage Disclosure Act

By execution of this Agreement, the Board commits that the Association will comply with the information collection and reporting requirements set forth in the Home Mortgage Disclosure Act, 12 U.S.C. § 2801 et seq. and Regulation C, 12 C.F.R. Part 203.

7. Expedited Funds Availability Act

By execution of this Agreement, the Board commits that the Association will comply with the funds availability requirements set forth in the Expedited Funds Availability Act, 12 U.S.C. § 4001 et seq. and Regulation CC, 12 C.F.R. Part 229.

8. Flood Disaster Protection Act

By execution of this Agreement, the Board commits that the Association will make flood hazard determinations on mortgage loans as required under 12 C.F.R. Part 572.

9. Bank Secrecy Act

By execution of this Agreement, the Board commits that the Association will comply with the report and record requirements set forth under 12 C.F.R. § 563.177 and 31 C.F.R. Part 103.

10. Bank Protection Act

By execution of this Agreement, the Board commits that the Association will comply with the requirements set forth in the Bank Protection Act, 12 U.S.C. § 1881 et seq. and 12 C.F.R. Part 568 and 31 C.F.R. Part 103.

GENERAL

11. Violations of Law.

Within ninety (90) days of the Effective Date, the Board shall address each regulatory exception and each violation of law, rule or regulation cited in the Compliance ROE and take all corrective actions required by OTS in the Compliance ROE. The Board shall provide a comprehensive written notice to the OTS within the ninety (90) day timeframe, describing the date and manner in which each correction has been effected.

12. Director Responsibility.

Notwithstanding the requirements of this Agreement that the Board submit various matters to the OTS for consideration, non-objection or notice of acceptability, such regulatory oversight does not derogate or supplant each individual director's continuing fiduciary duty. The Board shall have the ultimate responsibility for overseeing the safe and sound operation of the Association at all times, including compliance with the determinations of the OTS as required by this Agreement.

13. Compliance with Agreement.

A. The Board and officers of First Federal shall take immediate action to cause the Association to comply with the terms of this Agreement and shall take all actions necessary or appropriate thereafter to cause First Federal to continue to carry out the provisions of this Agreement.

B. The Board, on a quarterly basis, shall adopt a board resolution (the "Compliance Resolution") formally resolving that, following a diligent inquiry of relevant information (including reports of management), to the best of its knowledge and belief, during the immediately preceding calendar quarter, First Federal has complied with each provision of this Agreement currently in effect, except as otherwise stated.

The Compliance Resolution shall: (i) specify in detail how, if at all, full compliance was found not to exist, and (ii) identify all notices of exemption or non-objection issued by the Regional Director that were outstanding as of the date of its adoption.

C. The minutes of the meetings of the Board shall set forth the following information with respect to the adoption of each Compliance Resolution: (i) the identity of each director voting in favor of its adoption, and (ii) the identity of each director voting in opposition to its adoption or abstaining from voting thereon, setting forth each such director's reasoning for opposing or abstaining.

D. The Board shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Agreement.

MISCELLANEOUS

14. Definitions.

All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by the provisions of this Agreement shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, Home Owners' Loan Act ("HOLA"), Federal Deposit Insurance Act ("FDIA") or OTS Publications. Any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Publications shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

15. Successor Statutes, Regulations, Guidance, Amendments.

Reference in this Agreement to provisions of statutes, regulations, and OTS Publications shall be deemed to include references to all amendments to such provisions as have been made as of the Effective Date and references to successor provisions as they become applicable.

16. Notices.

A. Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Agreement to be made upon, given or furnished to, delivered to, or filed with:

- i. the OTS, by First Federal, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to Mr. Christopher A. Lombardo, Assistant Director, Office of Thrift Supervision, Department of the Treasury, 200 West Madison Street, Suite 1300, Chicago, Illinois 60606, or telecopied to (312) 917-5002 and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.

- ii. the Association, by the OTS, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to Mr. John W. Kennedy, President, First Federal Savings and Loan Association of Bucyrus, 119 South Sandusky Avenue, Bucyrus, Ohio 44820 or telecopied to (419) 562-5516, and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.

B. Notices hereunder shall be effective upon receipt, if by mail, overnight delivery service or telecopy, and upon delivery, if by physical delivery. If there is a dispute about the date on which a written notice has been received by a party to this Agreement, then, in the event such notice was sent by the United States mail, there shall be a presumption that the notice was received two Business Days after the date of the postmark on the envelope in which the notice was enclosed.

17. Duration, Termination or Suspension of Agreement.

A. This Agreement shall become effective upon its execution by the OTS, through its authorized representative whose signature appears below. The Agreement shall remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director, Regional Director or other authorized representative.

B. The Regional Director, in his sole discretion, may, by written notice, suspend any or all of the provisions of this Agreement.

18. Time Limits.

Time limitations for compliance with the terms of this Agreement run from the Effective Date, unless otherwise noted.

19. Effect of Headings.

The Section and paragraph headings herein are for convenience only and shall not affect the construction hereof.

20. Separability Clause.

In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his sole discretion determines otherwise.

21. No Violations of Law, Rule, Regulation or Policy Statement Authorized; OTS Not Restricted.

Nothing in this Agreement shall be construed as: (i) allowing the Association to violate any law, rule, regulation, or policy statement to which it is subject, or (ii) restricting or estopping the OTS from taking such action(s) that it believes is appropriate in fulfilling the responsibilities placed upon it by law, including, without limitation, any type of supervisory, enforcement or resolution action that the OTS determines to be appropriate.

22. Successors in Interest/Benefit

The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the parties hereto, the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

23. Integration Clause.

This Agreement represents the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date, with respect to the subject matter.

24. Enforceability of Agreement

First Federal represents and warrants that this Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Association. First Federal acknowledges that this Agreement is a "written agreement" entered into with the OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. §1818.

IN WITNESS WHEREOF, the OTS, acting by and through the Regional Director, and First Federal hereby execute this Agreement as of the Effective Date.

OFFICE OF THRIFT SUPERVISION

By:

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/s/

Ronald N. Karr
Central Regional Director

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF BUCYRUS

By: 151
Dale C. Hoyles
Chairman and Director

By: 151
John W. Kennedy
President, CEO, and Director

By: 151
David M. Auck
Director

By: 151
D. Brent Fissel
Director

By: 151
Philip E. Harris
Director

By: 151
John D. Mizick
Director

By: 151
Michael J. Romanoff
Director