

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of
MELVIN M. BERGER
A Former Director and
President of Yorkridge-Calvert
Savings and Loan Association,
Pikesville, Maryland

Re: Resolution No. ATL-90-10
Dated: August 22, 1990

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its District Director for the Atlanta District Office, OTS, and Melvin M. Berger ("Berger"), a former director and president of Yorkridge-Calvert Savings and Loan Association, Pikesville, Maryland ("Yorkridge-Calvert"), 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 Berger 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, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (to be codified at 12 U.S.C. § 1818(b)). Berger desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, while 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 Berger with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) The assets and liabilities of Yorkridge-Calvert have been transferred to a newly formed federal savings association, which is under the direction of a conservator. Prior to such transfer, Yorkridge-Calvert was a "savings association" and an "insured depository institution" as defined in Section 2 of the Home Owners' Loan Act, as amended by Section 301 of the FIRREA (to be codified at 12 U.S.C. § 1462); and Sections 3 and 4 of the FDIA, as amended by Sections 204 and 205 of the FIRREA (to be codified at 12 U.S.C. §§ 1813 and 1814).

(b) Berger is a former director and president of Yorkridge-Calvert. As such, he was an "institution-affiliated party" as defined in Section 3(u) of the FDIA, as amended by Section 204(f)(6) of the FIRREA (to be codified at 12 U.S.C. § 1813(u)).

(c) The Director of the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against Berger, as defined in Section 3(q) of the FDIA, as amended by Section 204 of the FIRREA (to be codified at 12 U.S.C. § 1813(q)).

(d) The Director of the OTS has the authority to initiate and maintain a cease and desist proceeding against Berger pursuant to Section 8(b) of the FDIA, as amended by the FIRREA (to be

codified at 12 U.S.C. § 1818(b)).

3. Consent. Berger 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 law.

4. Finality. The Order is issued under Section 8(b) of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. § 1818(b)). Upon its issuance by the District Director for the Atlanta District Office, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Sections 8(e) and 8(i) of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. §§ 1818(e) and 1818(i)).

5. Waivers. Berger waives his right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. § 1818(b)), 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 the FIRREA (to be codified at 12 U.S.C. § 1818(h)), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its District Director for the Atlanta District Office, and Berger, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

MELVIN M. BERGER

By:

151
John Ryan
District Director
Atlanta District Office

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Re: Resolution No. ATL-90-10
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ORDER TO CEASE AND DESIST

WHEREAS, Melvin M. Berger ("Berger"), a former director and president of Yorkridge-Calvert Savings and Loan Association, Pikesville, Maryland ("Yorkridge-Calvert"), has executed a Stipulation and Consent to Issuance of 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 District Director for the Atlanta District Office; and

WHEREAS, the Stipulation provides, among other things, that the OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Berger 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, Pub.

L. No. 101-73, 103 Stat. 183 ("FIRREA") (to be codified at 12 U.S.C. § 1818(b)); and

WHEREAS, Berger desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, while denying that such grounds exist, 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 the FIRREA, (to be codified at 12 U.S.C. § 1818(b)), and to all other terms in the Stipulation, in consideration of the forbearance by the OTS from initiating such administrative cease and desist litigation against Berger with respect to the matters covered in this Order.

NOW THEREFORE, IT IS ORDERED that Berger shall cease and desist from engaging in the following unsafe or unsound practices:

1. Extending credit on behalf of a savings association or its wholly-owned or partly-owned subsidiary or affiliate ("association"), obligating an association to fund any extension of credit, or approving any extension of credit by an association without sufficient collateral to fully secure the repayment of the extension of credit, except for an extension of credit which, by law or regulation, requires no collateral.

IT IS FURTHER ORDERED that:

2. Berger shall obtain, review and maintain each of the following items before extending credit on behalf of an

association, obligating an association to fund any extension of credit, or approving any extension of credit by an association:

- (a) an application for an extension of credit, signed by each borrower or its agent, in such form and containing such information as will disclose the purpose for which the extension of credit is sought and, with the exception of an extension of credit which by law or regulation requires no collateral, the identity of the collateral securing the extension of credit;
- (b) a note, signed by each borrower or its agent, evidencing each borrower's obligation to repay the extension of credit;
- (c) a financial statement, which is current at the time that an application for an extension of credit is made, signed by each borrower disclosing its financial ability to repay the extension of credit, or a written credit report prepared by the association or by others at the request of the association, which financial statement or written credit report evidences that each borrower is financially able to repay the extension of credit;
- (d) where real estate is the collateral for the extension of credit, one or more written appraisal reports containing estimates of the value of said real estate, prepared and signed by a qualified appraiser at the request of the association or its agent and for the association's use, which appraisal reports satisfy the requirements of 12 C.F.R. § 563.171 or any successor regulation;

- (e) where real estate is the collateral for the extension of credit, a copy of the deed of trust or mortgage instrument on said real estate or other document customarily used in the jurisdiction in which said real estate is located, signed by each borrower or its agent, evidencing the creation of a security interest in the real estate for the benefit of the association, which security interest fully secures the repayment of the extension of credit; and if the extension of credit is made for the purpose of financing the purchase of the real estate security for the extension of credit, a signed statement by the borrower or its agent, as a part of or as an attachment to the application for the extension of credit, disclosing the purchase price of said real estate;
 - (f) where property other than real estate is the collateral for the extension of credit, documentation customarily used in the jurisdiction in which the property is located, signed by each borrower or its agent, evidencing the creation and perfection of a security interest in the property for the benefit of the association, which security interest fully secures the repayment of the extension of credit; and
 - (g) documentation that satisfies the requirements of 12 C.F.R. § 563.170 or any successor regulation.
3. Berger shall comply with the investment policies,

procedures and guidelines of an association before making investments on behalf of the association, obligating the association to fund any investment, or approving any investment by the association; as long as such policies, procedures and guidelines are consistent with statutory, regulatory and OTS policy requirements.

4. Berger shall manage the interest rate risk exposure of each association for which he has responsibility for interest rate risk management in accordance with the requirements of 12 C.F.R. §§ 563.176 and 571.3 or any successor regulations, and the guidelines of Thrift Bulletin No. 13 or any successor thrift bulletin.

THE OFFICE OF THRIFT SUPERVISION

By:

151
John Ryan
District Director
Atlanta District Office