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SUPERVISORY AGREEMENT

This Agreement ("Agreement") is made and is effective this 7th day of May 1993 ("Effective Date"), by and between The First Savings and Loan Association, (OTS No. 00199), Norwood, Ohio ("First" or "Institution") for itself and the Office of Thrift Supervision ("OTS"). This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Institution. 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. Sections 1818(b)(1) and (i)(2).

WHEREAS, the OTS is of the opinion that First has not complied with certain regulations to which the Institution is subject in conducting the business of the Institution, and has through violations of these sections engaged in unsafe or unsound practices in conducting the business of the Institution, thereby providing grounds for the initiation of cease and desist proceedings against First by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against First for its failure to comply with statutes and regulations, and unsafe and unsound practices, as set forth in the Institution's Regular Report of Examination dated December 7, 1992, for so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, in the interest of regulatory compliance and cooperation, First, by its Board of Directors ("Board"), is willing to enter into this Agreement to avoid the initiation of such cease and desist proceedings;

NOW, THEREFORE, in consideration of the above-stated forbearance by OTS from the initiation of cease and desist proceedings against First, it is agreed between the parties hereto that First shall address all concerns with regard to violations asserted in the Report of Examination dated December 7, 1992, and shall not knowingly initiate any action which would result in an unsafe or unsound practice or in a violation of, or the aiding and abetting of any violation of any statutes or regulations.

IT IS FURTHER AGREED:

PRE-EXISTING SUPERVISORY AGREEMENT

1. Portions of the Supervisory Agreement dated March 26, 1992 between First and OTS have been incorporated herein and remain in effect. This Agreement supercedes the March 26, 1992 Agreement.
2. On a quarterly basis, the Board shall review and compare First's actual operating performance to the projections contained in its current Business Plan. The review shall be documented in the minutes of the meetings of the directors and the Assistant Director, OTS-Cincinnati, shall be provided with documented explanations for any variances in excess of 10 percent of the projections.
3. On a quarterly basis, the Board shall review First's activities furthering the Nondiscrimination Policy and record the Institution's progress in servicing all facets of its delineated community. The review shall be documented in the minutes of the meetings of the directors and the Assistant Director, OTS-Cincinnati, shall be provided with an analysis of this review within 30 days of the meeting.

4. A Compliance Officer shall be appropriately trained in the responsibilities accompanying this position and shall make a periodic report, at least semiannually, directly to the Board indicating First's compliance with the statutes and regulations covered by a Regular Compliance Examination. This report shall be separate and distinct from the quarterly review of the Nondiscrimination Policy. Guidelines for the Compliance Officer's review can be found in the Compliance: A Self-Assessment Guide handbook mailed to each institution as of November, 1990.

5. First shall ensure that all material discussions and actions by the Board regarding the operation of First shall be fully documented in the minutes of the meetings of the directors.

POLICIES AND PROCEDURES

6. Within 30 days of the Effective Date of this Agreement, the Board shall develop policies and implement procedures addressing conflicts of interest. In addition to ensuring compliance with the regulations, the policy should require that the Board and officers of the institution review the policy at least annually and that the review be documented.

7. Within 30 days of the Effective Date of the Agreement, the Board must submit to OTS its policy addressing the loans to one borrower limitation, 12 C.F.R. §563.93. The policy must be sufficiently detailed to include explanation of all terms contained in the regulation to ensure that no misinterpretation will occur. The policy should be reviewed at least annually by the directors and executive officers, and such review shall be clearly documented in Board minutes.

8. Within 60 days of the Effective Date of this Agreement, the Board shall develop and implement asset/loan concentration monitoring procedures, which shall include reports given at each board meeting. The reports should be detailed enough to show specific borrowers and loan totals, as well as, loan and collateral types.

MANAGEMENT

9. The Board shall analyze the institution's management and personnel needs in relation to operating strategies, goals and objectives. The Board should determine if current staff levels and expertise are sufficient with regard to existing operations, and should develop written job descriptions, including reporting relationships and lines of authority. The analysis shall be detailed and in writing and shall address, at a minimum all issues disclosed in the December 7, 1992 Report of Examination and recommend appropriate corrective actions. The Board shall provide the conclusions of this analysis to the OTS no later than 30 days after the Effective Date of this Agreement.

MISCELLANEOUS

10. Without the prior written approval of the OTS, First shall not lend additional funds to borrowers Hatfield or Thurners, or other borrowers which would be aggregated with them under 12 C.F.R. §32.5.

11. Within 60 days of the Effective Date of this Agreement, the Board shall develop and implement an internal asset review program which includes periodic monitoring of financial information for borrowers and collateral properties.

12. The Institution shall cease utilizing the legal services of Directors Kilcoyne and McEvilley and shall engage qualified independent legal counsel for recurring, routine legal matters such as closing and title services.

CLOSINGS

13. (a) Although the Board is by this Agreement required to submit certain proposed actions and programs for the review or approval of the Deputy Regional Director or his/her designee, the Board has the ultimate responsibility for proper and sound management of the Institution. In exercising and fulfilling its fiduciary duties, the Board may consider the reports of management, counsel, and other agents and consultants of the Board. Nothing contained herein shall require the Board or any member or agent thereof to take any action or omit to take any action inconsistent with his or her fiduciary duties.

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

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

(d) All technical words or terms used in this Agreement, for which meanings are not specified or otherwise provided by the provision of this Agreement, shall, insofar as applicable, have meanings as

defined in the rules and regulations adopted by the OTS (including, without limitation, Chapter V of Title 12 Code of Federal Regulation). Any such technical words or terms used in this Agreement and undefined in said rules and regulations shall have meanings that accord with the best custom and usage in the thrift industry.

(e) 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.

(f) It is understood that the execution of this Agreement shall not be construed as an approval of any application or notices that are contemplated by the Institution.

(g) Any report or other document required by this Agreement to be submitted to the OTS shall be filed with the Office of Thrift Supervision, 8260 North Creek Drive, Suite 200, Cincinnati, Ohio 45236, Attn: Assistant Director. All reports and other documents shall be deemed filed when received by the OTS.

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

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

(j) This Agreement shall remain in effect until terminated, modified, or suspended by the OTS, acting through the Regional Director or his designee.

