

SUPERVISORY AGREEMENT

Docket #8376

94981

This Agreement ("Agreement") is made and is effective this 28 day of February, 1992 ("Effective Date"), by and between AmTrust Bank, A Savings Bank (OTS No. 08376), Boca Raton, Florida ("AmTrust" 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 based on the results of the Report of Examination dated October 21, 1991, that grounds exist for the initiation of proceedings against AmTrust by the OTS pursuant to 12 U.S.C. Section 1818(b); and

WHEREAS, the OTS is willing to forbear at this time from the initiation of proceedings pursuant to 12 U.S.C. Section 1818(b) on the matters covered by this Agreement, 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, AmTrust by its Board of Directors ("Board"), without admitting that grounds for proceedings pursuant to 12 U.S.C. Section 1818(b) exist, is willing to enter into this Agreement to avoid the initiation of such proceedings;

NOW, THEREFORE, in consideration of the above-stated forbearance by OTS, it is agreed between the parties hereto as follows:

1. AmTrust shall not knowingly initiate any action which would result in a material violation of, or the aiding and abetting of any material violation of 12 C.F.R. Sections 528.4, 528.6, 202.9(a)(1) and (2), 563.27(a)(1) and (5), 563.48(3), 563.99(b)(2), 563.99(d), 226.16(d)(1), 226.19(a)(1), and 226.26(b).

2. No later than 60 days from the effective date of this Agreement, AmTrust shall establish policies and procedures to ensure the proper completion of the loan application register (LAR). These policies and procedures must assign responsibility to specific individuals for the accurate completion of the LAR, and provide for their training. In addition, the procedures must include periodic reviews of the accuracy of the information in the LAR by employees other than those responsible for its completion.

3. No later than 60 days from the effective date of this Agreement, AmTrust shall establish policies and procedures to ensure that government monitoring information is collected for all applicable loan applicants. These policies and procedures must ensure that this information is collected at the time of the application from the applicant or, if the applicant does not wish to provide it, from the employee taking the application.

4. No later than 30 days from the effective date of this Agreement, AmTrust shall establish policies and procedures to ensure that advertisements placed by the Institution contain all of the required annual percentage rate, yield, and other required disclosures, are not misleading, and contain the

Equal Housing Lender logotype and legend when required. These policies shall require that prior to publication all advertisements will be reviewed by persons having competent knowledge of all advertising rules and regulations.

5. No later than 30 days from the effective date of this Agreement, AmTrust shall develop policies and procedures to ensure that all required disclosures are given to mortgage and consumer loan applicants in the required time frames. Such disclosures must include loan program disclosures for both adjustable- and fixed-rate mortgage loans and consumer loans secured by the borrower's residence; customer notifications and acknowledgments for properties located in special flood hazard areas; initial Truth In Lending disclosures for all loans subject to the Real Estate Settlement Procedures Act; and adverse action notices.

6. No later than 30 days from the date of this Agreement, AmTrust shall develop a review mechanism to ensure that its adjustable-rate loan portfolio is being adjusted in accordance with the provisions of the applicable loan contract. Although the portfolio is serviced by Ohio Savings Bank, AmTrust should periodically review or cause to be reviewed the adjustments being made to confirm that they are being made properly.

7. No later than 30 days from the effective date of this Agreement, AmTrust shall establish procedures to ensure that customer inquiries about the cost of credit receive a proper non-misleading response from Institution personnel. When the cost of credit is given in response to customer inquiries, the annual percentage rate must be quoted, either based on a sample transaction or on the actual terms requested by the inquirer.

8. No later than 30 days from the date of this Agreement, AmTrust shall develop and place into operation policies and procedures for the active involvement of the board of directors in the CRA process. Such involvement shall include support for employee CRA training, critical self analysis, monitoring of CRA activity, and ensuring that ascertainment of credit needs and marketing of products and services is effected throughout the delineated community, including low and moderate income areas.

Closings

(a) Although the Board is by this Agreement required to develop and implement certain proposed policies and procedures, 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. Policies and procedures developed by AmTrust to comport with the provisions of this Agreement are expected to be implemented without prior review or approval of the Assistant Director. Such policies and procedures will be reviewed during the subsequent regulatory examinations. 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, except for the forbearance specifically granted by the "Whereas" clauses of this Agreement.

(c) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time limitations may be suspended, terminated or 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, 525 Vine Street, Suite 700, Cincinnati, Ohio 45202, 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.

IN WITNESS WHEREOF, the OTS, acting through its Regional Director, and AmTrust, by its board of directors, have executed this Agreement on the date first above written.

THE OFFICE OF THRIFT SUPERVISION
Cincinnati, Ohio

AMTRUST BANK, A SAVINGS BANK
Boca Raton, Florida

By: 151
Jerry M. Benham
Deputy Regional Director

By: 151
Director