

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:

DAVID C. BANKER

Former Officer and
Institution-Affiliated Party of:

Charter Oak Federal Savings Bank
Cincinnati, Ohio

Order No. CHI-96-03

Dated: April 15, 1996

STIPULATION AND CONSENT TO ENTRY
OF AN ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed David C. Banker ("BANKER"), former Vice-President, and institution-affiliated party of Charter Oak Federal Savings Bank, Cincinnati, Ohio ("Charter Oak" or "Institution") that OTS is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against BANKER pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b).¹

WHEREAS, BANKER desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding and, without admitting or denying that such grounds exist, and without an adjudication on the merits, but admitting the statements and

¹ All references to the U.S.C. are as amended.

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conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) The Institution, at all times relevant hereto, was a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b) and Section 2(5) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C.A. § 1462(5). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal banking agency" with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof.

(c) The Director of the OTS has the authority to bring administrative cease and desist proceedings against persons participating in the conduct of the affairs of the Institution and against institution-affiliated parties, pursuant to Section 5(d)(1)(A) of HOLA, 12 U.S.C. § 1464(d)(1)(A) and Section 8(b) of the FDIA, 12 U.S.C. § 1818(b).

(d) BANKER was Vice-President of the Institution and is deemed to be an "institution-affiliated party" of the Institution as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of the date hereof.

(e) BANKER is subject to the authority of the OTS to initiate and maintain cease and desist proceedings pursuant to Section 8(b) of the FDIA, 12 U.S.C. § 1818(b).

2. OTS Findings of Fact. The OTS finds that: In 1989 and

1990, while serving as a director of the Charter/EPB Corporation ("EPB"), a wholly-owned subsidiary of Charter Oak, BANKER unreasonably relied upon the underwriting conclusions, assertions and representations of loan officers when approving EPB loans. In addition, BANKER: (1) failed to ensure compliance with EPB's own loan policies, despite self-evident deficiencies in the materials presented by EPB's loan officers. As a result, Charter Oak incurred substantial losses on these loans. The OTS further concludes that Banker's conduct constituted unsafe and unsound conduct in the conduct of Charter Oak's business. Charter Oak was acquired in 1993 by Huntington Bancshares in a tax-free exchange which did not involve any regulatory assistance.

3. Consent. BANKER consents to the issuance by the OTS of the Order. BANKER further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all the requirements of law.

4. Finality. The Order is issued under Section 8(b) of the FDIA, 12 U.S.C. § 1818(b). Upon its issuance it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(b) and 8(i) of the FDIA, 12 U.S.C. § 1818(b) and (i).

5. Consideration. BANKER hereby stipulates and agrees to the terms of this Stipulation, and to issuance of the Order, in consideration of the OTS forever releasing and discharging BANKER from all potential claims or charges arising out of BANKER'S actions as an officer, director, or institution-affiliated party of Charter Oak, or any of its subsidiaries.

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6. Waivers.

(a) BANKER waives his right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, 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, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

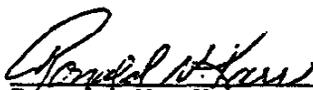
(b) BANKER acknowledges and agrees that his consent to the OTS's issuance of the Order is intended solely for the purposes of resolving this OTS enforcement matter, as provided in paragraph 5 hereof, and does not release, discharge, compromise, settle, dismiss, resolve, affect or preclude any other actions, claims, charges against, or proceedings, whether criminal or civil, against him that may be or have been brought by any other government agency or entity.

7. Indemnification. BANKER shall neither cause nor permit Charter Oak (or any successor or subsidiary thereof) to incur, directly or indirectly, any expense for the amount of the restitution under the Order or any legal (or other professional expenses) incurred relative to the negotiation and issuance of the Order, nor obtain any indemnification (or other reimbursement) from Charter Oak (or any successor or subsidiary thereof) with respect to such amounts. Any payments received by or on behalf of BANKER in connection with this action shall be returned to Charter Oak.

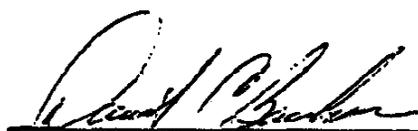
WHEREFORE, in consideration of the foregoing, the OTS, by and through its Regional Director, and BANKER execute this Stipulation and Consent to Entry of an Order to Cease and Desist, intending to be legally bound hereby.

OFFICE OF THRIFT SUPERVISION

By:



Ronald N. Karr
Regional Director
Central Regional Office



David C. Banker

Dated:

4-15-96

Dated:

4-1-96

Docket # 8125

UNITED STATES OF AMERICA
 Before The
 OFFICE OF THRIFT SUPERVISION

In the Matter of:)

DAVID C. BANKER)

Former Officer and)
 Institution-affiliated party of:)

Charter Oak Federal Savings Bank)
 Cincinnati, Ohio)

Order No. CHI-96-03

Dated: April 15, 1996

ORDER TO CEASE AND DESIST

WHEREAS, David C. Banker ("BANKER"), former Vice-President of Charter Oak Federal Savings Bank, Cincinnati, Ohio ("Charter Oak") has executed a Stipulation and Consent to the Entry of an Order to Cease and Desist ("Stipulation"); and

WHEREAS, BANKER, in the Stipulation, without admitting or denying the OTS allegations set forth in paragraph 2 of the Stipulation, and without an adjudication on the merits, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b).¹

WHEREAS, the Director of the OTS has delegated to the Regional Director of the OTS the authority to issue Orders to Cease and Desist on behalf of the OTS where a party has consented to the issuance of the Order.

1. All references to the U.S.C. are as amended.

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NOW, THEREFORE, IT IS ORDERED THAT:

1. With respect to his employment at or affiliation with any "insured depository institution," as that term is defined in 12 U.S.C. § 1813(c), or any holding company or subsidiary of an insured depository institution (collectively referred to herein as a "Covered Institution"), BANKER shall not:

a. seek, accept, or hold any position as director or a member of any loan committee;

b. seek, accept, or exercise any final authority to approve any extensions of credit, including but not limited to, loans, in excess of \$250,000; or

c. seek, accept, or exercise any authority to approve or issue letters of credit.

Any such extensions of credit in excess of \$250,000 or letters of credit in any amount must be reviewed and approved by the loan committee and/or the board of directors of the Covered Institution at which Banker is, or may become employed at or affiliated with, before any such extension of credit is made or letter of credit is issued.

2. BANKER shall comply in all respects with all lending or other internal policies of any Covered Institution at which he may become employed or with which he may become affiliated.

3. Whenever issues arise that cause BANKER to be unsure about statutory and/or regulatory compliance, or compliance with his obligations under this Order, BANKER shall seek and obtain advice and guidance from competent legal counsel.

4. BANKER shall provide a copy of this Order to any Covered

Institution where he is currently employed or where he, at any time in the future, seeks or accepts employment or affiliation as an employee, officer, agent, or independent contractor.

5. A copy of this Order, as provided for in Paragraph 4, shall be presented to his current employer, if such employer is a Covered Institution, within three (3) business days of the effective date of this Order, and to any other Covered Institution(s) from which he is seeking employment or affiliation as an employee, officer, agent, or independent contractor, prior to BANKER's acceptance of any such employment.

6. All technical words or terms used in this Order, for which meanings are not specified or otherwise provided for by the provisions of this Order, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, FDIA, or HOLA, or as such definition is amended after the execution of this Order, and any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, FDIA, or HOLA, shall have meanings that accord with their best custom and usage in the savings and loan industry.

7. BANKER shall cooperate with the OTS, without the need for issuance of a subpoena, in connection with the investigation into Charter Oak, or any administrative proceeding or other litigation resulting therefrom, by providing truthful information or testimony to the OTS.

8. From the effective date of this Order, BANKER shall promptly respond to any request from the OTS for documents that

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the OTS reasonably requests to demonstrate compliance with this Order.

9. Any report or other document required by this Order to be submitted to the OTS shall be filed with the Office of Thrift Supervision, 200 West Madison Street, Suite 1300, Chicago, Illinois 60606, Attn: Regional Counsel. All reports and other documents shall be deemed filed when received by the OTS.

10. Any time limitations imposed by this Order shall begin to run from the effective date of this Order, unless otherwise provided for in this Order.

11. It is understood that the execution of this Order shall not be construed as an approval of any application or notices that are contemplated by BANKER.

12. In the event any provision of this Order 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.

13. This Order shall be effective upon its issuance by the Regional Director and shall remain in effect until terminated, modified or amended by the OTS. BANKER may, at any time, apply in writing to the OTS, or any successor agency, to have the Order terminated or modified. Any such application will be processed in the same manner, and evaluated under the the same criteria, as all other applications to terminate or modify orders to cease and desist against institution-affiliated persons.

14. The terms and provisions of this Order shall be binding

upon, and inure to the benefits of, the parties hereto and their successors in interest.

OFFICE OF THRIFT SUPERVISION

By:

Ronald N. Karr
Ronald N. Karr
Regional Director
Central Regional Office

Dated:

4-15-96