

**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

In the Matter of: )  
)  
Susan Hoffmann, )  
)  
Employee and )  
Institution-Affiliated Party )  
of: )  
)  
AnchorBank, FSB )  
Madison, Wisconsin )  
OTS No. 4474 )  
)

OTS Order No.: **MWR-03-2**

Dated: **April 29, 2003**

**STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER  
TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF**

**WHEREAS**, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed **Susan Hoffmann (Hoffmann)**, employee and institution-affiliated party of AnchorBank, FSB, Madison, Wisconsin, OTS No. 4474 (AnchorBank or the Institution), that the OTS is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against **Hoffmann**, pursuant to 12 U.S.C. § 1818(b).<sup>1</sup>

**WHEREAS, Hoffmann** desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, but admitting the statements and conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

<sup>1</sup>All references in this Stipulation and Consent and in the Order of Prohibition are to the U.S.C. as amended.

## 1. Jurisdiction.

- (a) AnchorBank at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, AnchorBank was an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).
- (b) **Hoffmann**, as an employee of AnchorBank, is deemed to be an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of the date hereof (see 12 U.S.C. § 1818(i)(3)).
- (c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, **Hoffmann** is subject to the authority of the OTS to initiate and maintain prohibition proceedings against him, pursuant to 12 U.S.C. § 1818(e).

## 2. OTS Findings of Fact.

The OTS finds that:

- (a) **Hoffmann** was, at all times relevant to this matter, a residential mortgage loan officer of AnchorBank.
- (b) **Hoffmann** originated residential loans that violated compliance rules and regulations, including The Real Estate Settlement Procedures Act (RESPA).
- (c) **Hoffmann** engaged in breaches of fiduciary duty and violations of AnchorBank loan policies by acquiring interest in properties mortgaged by AnchorBank by conveyance from the original borrower without the knowledge or prior consent of the institution.

## 3. Consent.

**Hoffmann** consents to the issuance by the OTS of the accompanying Order to cease and desist for affirmative relief ("Order"). **Hoffmann** further agrees to comply with its terms

upon issuance and stipulates that the Order complies with all requirements of law.

**4. Finality.**

The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director or designee for the Midwest Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

**5. Waivers.**

**Hoffmann** waives the following:

- (a) the right to be served with a written notice of the OTS's charges against her as provided by 12 U.S.C. § 1818(b);
- (b) the right to an administrative hearing of the OTS's charges against her as provided by 12 U.S.C. § 1818(e);
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

**6. Indemnification.**

**Hoffmann** shall neither cause nor permit AnchorBank (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order. Nor shall **Hoffmann** obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of **Hoffmann** in connection with this action shall be returned to AnchorBank (or the successor institution, holding company, subsidiary, or service corporation thereof).

**7. Other Government Actions Not Affected.**

- (a) **Hoffmann** acknowledges and agrees that the consent to the issuance of the Order is for the purpose of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions,

charges against, or liability of **Hoffmann** that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

(b) By signing this Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief, **Hoffmann** agrees that she will not assert this proceeding, her consent to the issuance of the Order, and/or the issuance of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other Federal or state governmental entity.

#### **8. Agreement for Continuing Cooperation.**

**Hoffmann** agrees that, at the OTS's request, on reasonable notice and without service of a subpoena, she will provide whatever discovery and testify truthfully at any deposition and at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by the OTS relating to AnchorBank, its holding companies, its subsidiaries, and its institution-affiliated parties, except that **Hoffmann** does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If **Hoffmann** invokes a privilege against self-incrimination under the Fifth Amendment of the United States Constitution with respect to any matter about which the OTS inquires or the production of any document requested by the OTS and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 et seq., **Hoffmann** agrees, consistent with any such grant of immunity, to provide discovery and testify truthfully at any deposition and at any judicial, administrative, or investigative proceeding on the matter for which immunity is given.

WHEREFORE, Hoffman executes this Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief, intending to be legally bound hereby.

By:

Accepted by:  
Office of Thrift Supervision

Susan M. Hoffman  
Susan Hoffman

F. Casteel  
Frederick R. Casteel  
Midwest Regional Director

Dated: 4/11/03 4-11-03

Dated: 4-29-03

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ACKNOWLEDGMENT

State of Wisconsin

County of DANE

On this 11th day of April, 2003, before me, the undersigned notary public, personally appeared Susan Hoffman and acknowledged his execution of the foregoing Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief.

Tom Hebl  
Notary Public Tom Hebl  
Attorney AT LAW  
My Commission ~~expires~~ is permanent

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OTS Order No.: **MWR-03-2**

Dated: **April 29, 2003**

**ORDER TO CEASE AND DESIST**  
**FOR AFFIRMATIVE RELIEF**

**WHEREAS, Susan Hoffmann (Hoffmann)** has executed a Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief (Stipulation); and

**WHEREAS, Hoffmann,** by execution of the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist for Affirmative Relief (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1818(b).

**NOW THEREFORE, IT IS ORDERED** that:

1. **Hoffmann,** an institution-affiliated party within the meaning of Section 3(u) of the Federal Deposit Insurance Act (FDIA), shall cease and desist from any unsafe and unsound practice(s).

2. **Hoffmann** shall cease and desist from acts, omissions, or practices, which

constitute a breach of fiduciary duty, conflict of interest, violation of compliance regulations or statutes or violation of institution lending policy to any federally insured depository institution.

3. As an institution-affiliated party of any institution pursuant to the terms of this Order, **Hoffmann** shall not cause or permit such institution to make or grant any loan or extension of credit from which she could benefit directly or indirectly, without providing full notification and disclosure to the board of directors of such institution. Such notification or disclosure shall at a minimum include: (a) the written advice, counsel and guidance of competent legal counsel to ensure compliance with all relevant statutory, regulatory, and institution policies and procedures applicable to such transaction; (b) the amount and purpose of the loan; (c) the terms of the loan, including applicable interest rate and collateral; and (d) the specific nature of **Hoffmann's** relationship to the borrower and the benefit to be derived by **Hoffmann** from the proposed loan or extension of credit.

4. As an institution-affiliated party of any institution pursuant to the terms of this Order, **Hoffmann** shall not cause or permit such institution to release collateral on any loan without first establishing that such release is in the best interest of that institution, and that the release of such collateral does not constitute or facilitate a usurpation of corporate opportunity or conflict of interest by **Hoffmann**.

5. **Hoffmann** shall, within 180 days of the issuance of this Order, successfully complete at least 24 hours of appropriate training from a nationally recognized third-party vendor to understand and effectively apply the requirements of; a) Real Estate Settlement Procedures Act, 12 U.S.C. Section 2601 et seq., and 12 C.F.R. Part 3500; b) OTS Mortgage Regulation, 12 C.F.R. Section 560.210; c) OTS Regulations on Prohibited Consumer Credit Practices, 12 C.F.R. Part 535; and, d) the Home Mortgage Disclosure Act, 12 U.S.C. Section 2801., et seq., and 12

C.F.R. Part 203.

6. The Stipulation is made a part hereof and is incorporated herein by this reference.

7. All technical words or terms used in this Order and Stipulation for which meanings are not specified or otherwise provided 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, the Home Owners' Loan Act (HOLA), FDIA, of OTS Publications shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

8. **Hoffmann** shall promptly respond to any request from the OTS for documents that OTS reasonably requests to demonstrate compliance with this Order.

9. The terms and provisions of this Order shall be binding upon, and inure to the benefit of the parties hereto and their successors in interest.

10. This Order is and shall be issued and become effective on the Effective Date, as shown in the caption above. The Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by OTS, acting through its Director, Deputy Director, Regional Director, or other authorized representative.

**THE OFFICE OF THRIFT SUPERVISION**

**By:**



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**Frederick R. Casteel**  
**Midwest Regional Director**