

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of )  
Steven Trager )  
General Counsel and Director of )  
Republic Savings Bank, F.S.B. )  
Louisville, Kentucky )

Re: Resolution No. CHI-94-30  
Dated: September 26, 1994

ORDER OF ASSESSMENT OF CIVIL MONEY PENALTY

WHEREAS, Steven Trager ("TRAGER") has executed a Stipulation and Consent to Issuance of an Order of Assessment of Civil Money Penalty ("Stipulation"); and,

WHEREAS, TRAGER, in the Stipulation, has consented to the issuance of this Order Assessment of Civil Money Penalty pursuant to 12 U.S.C. § 1818(i). 1/

WHEREAS, the Office of Thrift Supervision ("OTS") is of the opinion that:

From at least 1989, Republic Savings Bank, F.S.B. ("Republic") has been directing a majority of its title insurance business to Bankers Insurance Agency, Inc. ("Bankers"), rather than establishing and engaging in title insurance activities through a service corporation of Republic, as would be permitted under 12 C.F.R. § 545.74(c)(6)(ii). From at least 1989, until approximately January 1993, Bankers was considered an affiliate of Republic due to the ownership interests of various Trager family members in excess of ten (10) percent, which included TRAGER.

Republic's internal records reflect that while TRAGER was General Counsel and a Director of the Institution, Republic failed to consider the creation of a title insurance service corporation, thus resulting, in part, in a usurpation of Republic's corporate opportunity. In addition, TRAGER knowingly failed to disclose the affiliated relationship between Republic and Bankers to Republic's board of directors. The actions of TRAGER were in direct violation of 12 C.F.R. §§ 556.16 and 571.7.

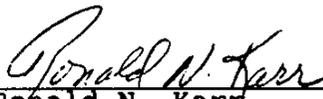
1/ All references to the U.S.C. are as amended.

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NOW THEREFORE, IT IS ORDERED that within thirty (30) days of the effective date of this Order, TRAGER shall pay to the OTS the sum of \$17,272, by tendering a certified check to the OTS in that amount made payable to the Treasurer of the United States. The check shall be sent, together with a cover letter stating the name of the association and the resolution number, and a copy of the Order, to the following address:  
Controller's Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C. 20552. A copy of the cover letter to the Controller's Division, and a photocopy of the check shall be sent to Senior Attorney Michael L. Del Medico, Office of Thrift Supervision, 111 East Wacker Drive, Suite 800, Chicago, Illinois 60601-4360.

OFFICE OF THRIFT SUPERVISION

By:

  
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Ronald N. Karr  
Regional Director  
Central Region

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of ) Resolution No. CHI-94-30  
Steven Trager ) Dated: September 26, 1994  
General Counsel and Director of )  
Republic Savings Bank, F.S.B. )  
Louisville, Kentucky )

STIPULATION AND CONSENT TO ISSUANCE OF AN  
ORDER OF ASSESSMENT OF CIVIL MONEY PENALTY

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Steven Trager (TRAGER) General Counsel and Director of Republic Savings Bank, F.S.B. ("Republic" or "Institution"), 601 West Market Street, Louisville, Kentucky 40202-2700 (OTS Docket Number: 07430), that the OTS is of the opinion that grounds exist to initiate an administrative civil money penalty assessment proceeding against TRAGER pursuant to 12 U.S.C. § 1818(i). 1/

WHEREAS, the Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue Order of Assessments of Civil Money Penalties where the respondent has consented to the issuance of the Order;

WHEREAS, TRAGER desires to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms:

1. Jurisdiction. (a) Republic is a "savings association" within the meaning of Section 3(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1813(b) and Section 2(5) of the Home Owners' Loan Act, 12 U.S.C. § 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) TRAGER is an Officer and a Director of the Institution and is 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).

(c) 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.

1/All reference to the U.S.C. are as amended.

(d) The Director of the OTS has the authority to bring an administrative proceeding for a civil money penalty against persons participating in the conduct of the affairs of the Institution and institution-affiliated parties pursuant to 12 U.S.C. § 1818(i).

(f) TRAGER is subject to the authority of OTS to initiate and maintain administrative proceedings pursuant to 12 U.S.C. § 1818(i).

2. Consent. TRAGER consents to the issuance by the OTS of the accompanying Order of Assessment of Civil Money Penalty ("Order"). TRAGER further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

3. Finality. The Order is issued under 12 U.S.C. § 1818(i). Upon its issuance by the Regional Director or designee for the Central Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

4. Waivers. (a) TRAGER waives his right to a notice of Assessment of Civil Money Penalty provided by 12 U.S.C. § 1818(i) and the administrative hearing provided by 12 U.S.C. § 1818(i)(2)(H), and further waives any right to seek judicial review of the Order, including, without limitation, 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.

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

6. Other Actions, Proceedings and Parties. This Stipulation and the accompanying Order are issued solely to settle this proceeding. By entering into this Stipulation and Consent, TRAGER acknowledges and agrees explicitly to the following provisions:

a. TRAGER acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and TRAGER's consent to the entry of the Order are for the purposes of resolving this OTS enforcement matter only. By signing this

document TRAGER agrees that he will not assert the assessment or payment of this penalty 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 governmental entity.

The OTS and TRAGER acknowledge and agree that the imposition of the civil money penalty by the OTS, and the payment of such civil money penalty, are for the purpose of resolving the administrative civil money penalty assessment proceeding and all other potential administrative actions within the jurisdiction of OTS concerning TRAGER relating to matters known or discovered by the OTS concerning Bankers Insurance Agency, Inc., which are discussed in the accompanying Order, and in detail in various OTS examinations from September 8, 1992, up to the date of entry of the Order.

b. This Stipulation, the Order and the payment by TRAGER of any monies or providing any other financial relief as contemplated by the Order, does not release discharge, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of TRAGER that arise pursuant to this action or otherwise, and that may be or have been brought by any other governmental entity other than the OTS.

c. Respondent's obligation to pay civil money penalties pursuant to this Stipulation and Consent and the Order shall not be dischargeable in bankruptcy under any circumstances.

WHEREFORE, TRAGER executes this Stipulation and Consent to Issuance of an Order of Assessment Civil Money Penalty, intending to be legally bound hereby.

By:

Office of Thrift Supervision

Accepted By:

Steven Trager  
Steven Trager

Ronald N. Karr  
Ronald N. Karr  
Regional Director  
Central Region

Date: 9/22/94

Date: 9-26-94