

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
JOHN A. STIVER)
)
A Former CEO, President, Chief)
Lending Officer and Chairman of)
)
Prestige Bank, FSB)
Pittsburgh, Pennsylvania)
)
JOTSTNo.: 03481))

Order No.: **NE-04-03**
NE-04-04
Dated: **March 4, 2004**

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

WHEREAS, the Office of Thrift Supervision("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed John A. Stiver ("**STIVER**"), former Chief Executive Officer, President, Chief Lending Officer and Chairman of the Board of Prestige Bank, FSB, Pittsburgh, Pennsylvania (hereinafter "**PRESTIGE**" or the "Institution"), that the OTS is of the opinion that grounds exist to initiate an administrative removal and prohibition proceeding and civil money penalty assessment against him pursuant to 12 **U.S.C** §§ 1818(e) and (i),¹ and

WHEREAS, STIVER desires to cooperate with the OTS to avoid the time and expense of such administrative proceedings and, without admitting or denying that such grounds exist and without any adjudication on the merits, but only admitting the statements and conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) **PRESTIGE**, at all times relevant hereto, was a "savings association" within the

¹ All references in this Stipulation and Consent to Issuance of an Order of Prohibition ("Stipulation") and the related Order are to the United States Code as amended.

meaning of 12 U.S.C. § 1813(b), and 12 U.S.C. § 1462(4). Accordingly, **PRESTIGE** was an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) **STIVER**, as CEO, President, Chief Lending Officer and Chairman of the Board of **PRESTIGE** at all times relevant hereto, was an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u).

(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 savings associations' institution-affiliated parties. Therefore, **STIVER** is subject to the authority of the OTS to initiate and maintain administrative removal and prohibition and civil money penalty proceedings against him pursuant to 12 U.S.C. §§ 1818(e) and (i).

2. OTS Findings of Fact.

The OTS finds that **STIVER** violated laws and regulations and engaged in unsafe and unsound practices while serving as CEO, President, Chief Lending Officer and Chairman of the Board of **PRESTIGE** in that **STIVER** i) made a series of loans to borrowers, which borrowers were not creditworthy according to standards Prestige normally used in assessing creditworthiness; (ii) used his position as CEO to procure a letter of credit for a company in which he had an interest in connection with a business venture unrelated to Prestige; and (iii) extended additional credit to a borrower whose initial loan was guaranteed by the United States Department of Agriculture without complying with certain USDA loan processing requirements. By that conduct, **STIVER** caused Prestige to incur unnecessary risk of financial losses, and Stiver acted with continuing disregard for the safety and soundness of **PRESTIGE**.

3. Consent.

STIVER consents to the issuance by the OTS of the accompanying Consent Order of Prohibition and the Order of Assessment of a Civil Money Penalty ("the Orders"). **STIVER** further agrees to comply with their terms upon issuance and stipulates that the Orders comply with all requirements of law.

4. Finality.

The Orders are issued by the OTS under the authority of 12 U.S.C. §§ 1818(e) and (i). Upon their issuance by the Regional Director or designee for the Northeast Region, OTS, the Orders shall be final orders, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. §§ 1818(e) and (i).

5. Waivers.

STIVER waives the following:

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

6. Other Government Actions Not Affected.

STIVER acknowledges and agrees that the consent to the issuance of the Orders is for the purpose of resolving any and all actions or causes of action that the OTS has or may have against **STIVER** as of the effective date of the Orders and any and all actions **STIVER** has against the OTS or its Director, as of the effective date of the Orders, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of **STIVER** 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.

7. Miscellaneous

- (a) The construction and validity of this Stipulation and the Orders shall be governed by the laws of the United States of America;
- (b) All references to the OTS in this Stipulation and the Orders shall also mean any of the OTS's predecessors, successors, and assigns;
- (c) The section and paragraph headings in this Stipulation and the Orders are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Orders;

(d) The terms of this Stipulation and the Orders represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters; and

(e) This Stipulation and the Orders shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

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

By:

Accepted by:
Office of Thrift Supervision



John A. Stiver



Robert C. Albanese
Northeast Regional Director

Dated: 2-27-04

Dated: 3/4/04

ACKNOWLEDGMENT

State of Pennsylvania

County of

On this 27th day of FEBRUARY, 2004, before me, the undersigned notary public, personally appeared John A. Stiver and acknowledged his execution of the foregoing

Stipulation and Consent to Issuance of an Order of Prohibition.

Cheryl L. Stiver

Notary Public

My Commission expires:

Notarial Seal
Cheryl L. Stiver, Notary Public
Pleasant Hills Boro, Allegheny County
My Commission Expires Sept. 18, 2004

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Date: **March 4, 2004**

CONSENT ORDER OF PROHIBITION

WHEREAS, **John A. Stiver** (“**STIVER**”) has executed a Stipulation and Consent to Issuance of an Order of Prohibition and Order of Assessment of a Civil Money Penalty (“Stipulation”); and

WHEREAS, **STIVER**, by his execution of the Stipulation, has consented and agreed, without admitting or denying the OTS Findings of Facts, to the issuance of this Order of Prohibition (“Order”) by the Office of Thrift Supervision (“OTS”), pursuant to 12 U.S.C. § 1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. **STIVER**, except upon the prior written consent of the **OTS** (acting through its Director or an authorized representative thereof) and any other “appropriate

Federal financial institutions regulatory agency,” for purposes of 12 U.S.C. §

1818(e)(7)(B)(ii), shall not:

(a) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

- (i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- (ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;
- (iii) any insured credit union under the Federal Credit Union Act [12 U.S.C. § 1781 et seq.];
- (iv) any institution chartered under the Farm Credit Act of 1971 [12 U.S.C. § 2001 et seq.];
- (v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(A)(v); and
- (vi) the Federal Housing Finance Board and any Federal Home Loan Bank.

(b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 U.S.C. § 1818(e)(7)(A);

(c) violate any voting agreement previously approved by the “appropriate Federal banking agency” within the meaning of 12 U.S.C. § 1813(q); or

(d) vote for a director, or serve or act as an “institution-affiliated party,” as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

2. Except as set forth in paragraph 1 of this Order, this Order shall not limit the right of **STIVER** to provide basic or routine audit or accounting services to any institution or agency referred to in paragraph 1 of the Order or to provide basic or routine audit or accounting services to entities doing business with the institutions or agencies referred to in paragraph 1.

3. This Order is subject to the provisions of Section 8(j) of the **FDIA**, 12 U.S.C. § 1818(j).

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

5. **STIVER** shall promptly respond to any request from the OTS for documents and/or information that the OTS reasonably requests to demonstrate compliance with this Order.

6. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. The Stipulation and the Order shall remain in effect until terminated, modified or suspended, in writing by the OTS, acting through its Director, Regional Director or other authorized representative. The parties acknowledge that **STIVER** reserves the right to apply for the termination of this Order, said application to be submitted to the OTS in the manner and form it deems appropriate. Any decision on any such application shall be

handled in a manner consistent with the policies and procedures of the **OTS** and subject to its sole discretion.

OFFICE OF THRIFT SUPERVISION

By: 
Robert C. Albanese
Northeast Regional Director