

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

In the Matter of:)	
Grant Thornton LLP)	
External Auditor For)	AA-EC-04-03
The First National Bank of Keystone)	
Keystone, West Virginia)	

NOTICE OF ASSESSMENT OF A CIVIL MONEY PENALTY

The Comptroller of the Currency of the United States of America (“Comptroller”) hereby assesses a civil money penalty against Respondent Grant Thornton LLP, external auditor, accountant, and independent contractor for the First National Bank of Keystone, Keystone, West Virginia (“Bank” or “Keystone”), pursuant to the provisions of 12 U.S.C. § 1818(i)(2).

After examination and investigation into the affairs of the Bank, the Comptroller is of the opinion that Respondent has recklessly engaged in unsafe or unsound practices with respect to the affairs of the Bank that caused more than a minimal loss to the Bank, as detailed further in this Notice of Assessment of a Civil Money Penalty (“Notice”). After considering the financial resources of Respondent, whether Respondent acted in good faith, the gravity of the violations at issue, the history of any previous violations by Respondent, and such other matters as justice may require, as required by 12 U.S.C. § 1818(i)(2)(G), and after soliciting and giving full consideration to the Respondent’s views with respect to these considerations, the Comptroller hereby assesses against Respondent a penalty of three hundred thousand dollars (\$300,000) pursuant to 12 U.S.C. § 1818(i)(2)(B). This penalty is payable to the Treasurer of the United States.

In support of this assessment, the Comptroller charges the following:

ARTICLE I

JURISDICTION

At all times relevant to the charges set forth below:

(1) The Bank was a national banking association, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, 12 U.S.C. § 1 et seq., until closed by the Comptroller on September 1, 1999.

(2) The Bank was an “insured depository institution” as defined in 12 U.S.C. § 1813(c)(2) and within the meaning of 12 U.S.C. § 1818(i)(2).

(3) The Office of the Comptroller of the Currency (“OCC”) is the “appropriate Federal banking agency” within the meaning of 12 U.S.C. § 1813(q)(1) and for purposes of 12 U.S.C. § 1818(i), to initiate and maintain an enforcement proceeding against an institution-affiliated party of the Bank.

(4) While serving as an external auditor, accountant and independent contractor for the Bank, Grant Thornton knowingly or recklessly participated in unsafe and unsound practices that caused more than a minimal financial loss to, or significant adverse effect on, the Bank. Respondent is thus an “institution-affiliated party” of the Bank as that term is defined in 12 U.S.C. § 1813(u)(4), having served in such capacity within six (6) years from the date hereof (see 12 U.S.C. § 1818(i)(3)). Therefore, Respondent is subject to the authority of the Comptroller to initiate and maintain an enforcement proceeding against Respondent pursuant to 12 U.S.C. § 1818.

ARTICLE II

GRANT THORNTON'S ROLE AT KEYSTONE

A. Keystone's Loan Securitization Program

(5) Keystone was a small community bank in an impoverished area in rural West Virginia until 1993, when the Bank began a loan securitization program in an effort to boost declining revenues.

(6) The securitization program involved Keystone purchasing loans (generally sub-prime and/or high loan-to-value ("HLTV") second mortgage loans) from loan originators, including many originated through the Federal Housing Authority's Title I home improvement loan program. With the assistance of outside parties such as investment bankers, Keystone packaged the loans into pools, set up trusts, and sold pools of loans to the trusts. Keystone and/or the outside parties then converted the assets of the trust into securities and sold certificates that conferred upon the certificate holders ownership in the trust, and the right to receive income from borrowers' payments of principal and interest of the loans contained in the trusts. Keystone retained a residual ownership interest in each securitization, subordinated to that of other investors.

(7) From 1993 to 1998, Keystone completed nineteen securitizations collectively containing more than \$2.6 billion in sub-prime and/or HLTV loans. The securitizations undertaken by Keystone and its wholly owned subsidiary, Keystone Mortgage, quickly became the largest line of business and source of revenue for the Bank. As a result of these activities,

Keystone reported significant growth, increasing from \$107 million in assets in 1992 to \$1.1 billion by 1999.

(8) Although Keystone reported to shareholders, regulators, and the public that its securitization program and the Bank were highly profitable, these representations were actually false. In fact, Keystone lost millions of dollars in the 1990's through embezzlement by Bank officers (several of whom have been convicted of felonies in United States District Court) and extensive losses in the Bank's securitization program. Keystone misrepresented the Bank's financial condition through fraudulent recordkeeping, including misstating that Keystone owned hundreds of millions of dollars in loans as assets when in fact the Bank did not own the loans. When the OCC discovered these misstatements in the summer of 1999, the OCC determined that the Bank was actually insolvent. It closed the Bank on September 1, 1999, and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver.

B. The 1998 Formal Agreement with OCC

(9) The OCC expressed concern about Keystone's management of and recordkeeping for its securitization program shortly after the Bank closed its first securitization of FHA Title I loans in 1993. Over the next several years, the OCC's Reports of Examination ("ROE") of the Bank repeatedly identified deficiencies in the Bank's recordkeeping and accounting, including many problems related to its securitization program.

(10) These and other concerns led the OCC to enter into a supervisory Formal Agreement ("Formal Agreement") with the Board of Directors of Keystone on May 28, 1998. Under one provision of the Formal Agreement, Keystone agreed to engage a nationally recognized independent accounting firm with expertise in securitizations and FHA mortgage

banking operations to perform an annual audit, as well as certain specific accounting procedures.

These procedures included “determin[ing] the appropriateness of the Bank’s accounting for . . .

(c) reconciliations between the Bank’s records and loan servicer records.”

C. Grant Thornton’s Engagement by the Bank

(11) In July of 1998, Keystone accepted Grant Thornton’s offer to provide accounting services to the Bank for the purpose of enabling the Bank to comply with the terms of the Formal Agreement. Respondent assigned a Grant Thornton partner, Stanley J. Quay, as the engagement partner for the engagement, and assigned a Grant Thornton employee, Susan Buenger, as audit manager for the Keystone engagement. At all times relevant to this Notice, Buenger and Quay acted in their capacity as agents for Grant Thornton during Respondent’s engagement with Keystone.

(12) Respondent, through Quay and Buenger, began performing services for Keystone in or about August of 1998, and continued to perform work for the Bank until it closed. In addition to the specific accounting procedures required by the Formal Agreement, the Bank also engaged Grant Thornton to re-audit its 1997 financial statements, and to perform a variety of other services, including “representation before the OCC.” In performing accounting services for the Bank, Grant Thornton was required to follow Generally Accepted Accounting Principles (“GAAP”), and was required to conduct audits in accordance with Generally Accepted Auditing Standards (“GAAS”).

(13) In commencing its audit of the financial statements of Keystone for year-end 1998, Grant Thornton was required to conduct a review of the internal controls of the Bank and of the risk that the Bank’s financial statements contained material misstatements. This risk

assessment was required by the terms of a settlement that Grant Thornton entered into on October 3, 1995 with the Office of Thrift Supervision relating to accounting services performed by a predecessor firm of Grant Thornton for San Jacinto Savings Association of Bellaire, Texas (“OTS Order”). This settlement order, which was in effect for five years (until 2000), required Grant Thornton to perform certain procedures for each insured depository institution audit engagement that it undertook, including:

[P]erforming an assessment of the risks associated with the client. The risk assessment shall include an assessment of the risk that errors and irregularities may cause the financial statements to contain a material misstatement and, based on that assessment, Grant Thornton shall design the audit to provide reasonable assurance of detecting errors and irregularities that are material to the financial statements in accordance with SAS No. 53 (AU § 316). The risk assessment also shall include obtaining an understanding of the institution's internal control structure, including its loan underwriting policies. The audit plan shall include the plan for identifying and testing internal controls for the purpose of determining the nature, timing, and extent of the substantive tests to be performed.

(OTS Order at ¶ 5(a); attached as Exhibit A).

(14) In performing this required risk assessment, Grant Thornton had access to information indicating that:

- (a) The OCC had repeatedly criticized Keystone’s bookkeeping and internal controls, including in the OCC’s recently completed 1998 Report of Examination;
- (b) The Bank and the OCC had entered into the 1998 Formal Agreement for the purpose of addressing these and other deficiencies;

- (c) The Bank entered into its engagements with Grant Thornton in order to comply with the Formal Agreement's requirement that the Bank hire a national accounting firm to address the deficiencies; and
- (d) The OCC had assessed civil money penalties against directors of the Bank in March 1998 for filing inaccurate Reports of Condition and Income in violation of 12 U.S.C. § 161.

(15) As a result of this assessment, Grant Thornton determined that the Keystone audit presented "maximum" risk that errors and irregularities could cause the financial statements to contain a material misstatement, and "maximum" risk that Keystone's internal controls were inadequate to detect material misstatements. This "maximum/maximum" assessment was the highest risk assessment provided for in Grant Thornton's procedures. Under Grant Thornton procedures, this rating required the firm to perform additional procedures to ensure that there were no material misstatements, including substantive testing of documents underlying the Bank's financial statements.

D. Confirmation Process

(16) As part of its year-end 1998 audit of the Bank, Grant Thornton sought to verify the amounts of assets presented on Keystone's financial statements. By year-end 1998, over 40% of Keystone's reported \$1.1 billion in assets were managed by outside companies known as loan servicers. As part of the securitization program, Keystone arranged for servicers to manage its purchased portfolios of loans, both before and after they were securitized. These servicers

would collect loan payments from borrowers, remit funds to the appropriate party, and maintain and supplement records of the loans.

(17) By the end of 1998, two businesses serviced most of Keystone's loans: Advanta Mortgage Corp. USA ("Advanta") and Compu-Link Loan Service, Inc. ("Compu-Link").

Keystone's books and records represented that Advanta and Compu-Link collectively serviced approximately \$469 million in loans as of year-end 1998. Therefore, Susan Buenger of Grant Thornton prepared and sent confirmation letters to Advanta and Compu-Link. The requests, which were drafted by Susan Buenger and mailed on Bank letterhead, asked the servicers to provide Respondent "with the balance as of December 31, 1998 of the loans serviced by you."

(18) In verifying these assets, Grant Thornton was required to follow GAAS and GAAP. The third standard of audit fieldwork under GAAS requires that an auditor obtain sufficient competent evidential matter through inspection, observation, inquiry and confirmation to afford a reasonable basis for his opinion regarding the financial statements under audit. With respect to a management assertion of ownership, GAAS requires an auditor to verify both the existence and ownership of an asset.

(19) GAAS also required Grant Thornton to obtain an adequate understanding of Keystone's business and relationships with third parties and to use that understanding in designing the confirmation process. This requirement is found in AU § 330.25: "The auditor's understanding of the client's arrangements and transactions with third parties is key to determining the information to be confirmed. The auditor should obtain an understanding of the substance of such arrangements and transactions to determine the appropriate information to include on the confirmation request."

(20) Contrary to this provision, Grant Thornton did not gain sufficient understanding of Keystone's business and its relationships with other companies before undertaking the confirmation process. In particular, Buenger has admitted in sworn testimony that she was unaware of a "warehousing" relationship between Keystone and United National Bank of Wheeling, West Virginia ("United"), whereby Keystone would buy loans using United funds—a relationship that was critical to understanding Keystone's securitization process and to the way records of the securitization program were kept.

E. United National Bank Relationship

(21) To fund its securitization program, Keystone developed relationships with other financial institutions, including agreements for them to provide the Bank with "warehousing" lines of credit. In such arrangements, Keystone would purchase the loans with funds borrowed from the other banks, and the other banks would retain ownership of ("warehouse") them while Keystone prepared a securitization. Keystone then purchased the loans from the bank just before the securitization closed and transferred them to the securitization trust. The purchase would be funded by the expected proceeds Keystone would receive from selling the loans to the trust.

(22) In March of 1998, United and Keystone began a relationship that allowed Keystone and its loan originators to purchase HLTV and Title I mortgage loans as an agent for United. In this relationship, Keystone would notify United of potential loans for purchase, and United would wire funds to a clearing account at Keystone. Keystone would then wire the funds provided by United to the loan originators to purchase loans, as authorized by a power of attorney arrangement. Keystone would receive loan files and hold them until they could be sent to Compu-Link for servicing.

(23) Under this arrangement, the loans purchased by Keystone with United funds belonged to United and were recorded by Compu-Link as United-owned loans. During this period, Keystone also purchased loans using its own funds, and those loans were recorded by Compu-Link as Keystone-owned loans. These loan pools were separately identified, serviced, and segregated by Compu-Link. In late 1998, the United-owned pool of loans was designed to be part of a planned Keystone securitization, but that securitization never took place. Consequently, Keystone never purchased these loans from United.

(24) By late 1998, the market for the sub-prime, HLTV loans that constituted Keystone's securitization program had deteriorated such that Keystone could no longer complete securitizations. As a result, both Keystone and United owned leftover pools of loans that had been planned for securitizations. In December of 1998, Compu-Link transferred to Advanta control over, and servicing rights to, over \$200 million in the United-owned loans. Compu-Link retained servicing rights to a substantial number of United-owned loans, and a much smaller number of Keystone-owned loans. Advanta designated this newly transferred pool of loans #406 and clearly identified it as owned by United. Advanta kept this loan pool separate from Keystone-owned loans now serviced by Advanta (#405).

(25) Despite the clear segregation and identification of the ownership of loans by servicers, Keystone's senior management falsely claimed United-owned loans serviced by Compu-Link and Advanta as assets owned by the Bank. They did so in order to cover the Bank's losses that resulted from embezzlement by Keystone insiders and losses incurred by the Bank's securitizations. Nevertheless, while the Bank's internal records falsely indicated

Keystone owned these loans, the servicers' own records clearly identified them as owned by United.

(26) Grant Thornton's failure to gain an understanding of Keystone's relationship with United as required by AU § 330.25 violated GAAS and contributed to Grant Thornton writing a general confirmation letter requesting that Advanta and Compu-Link provide Grant Thornton "with the balance as of December 31, 1998 of the loans serviced by you." This general letter did not appropriately address the relationship with United, whereby loans related to Keystone's securitization business and serviced by United or Compu-Link were actually owned by United. Had Grant Thornton followed GAAS, it would have understood that a more specific confirmation request was necessary to distinguish Keystone-owned loans from United-owned loans.

F. Advanta Confirmation Letter

(27) Grant Thornton's failure to follow GAAS (including AU § 330.25) was particularly evident with respect to the handling of the confirmation process with loan servicer Advanta. After Buenger failed to receive a response to Respondent's first confirmation request to Advanta, she mailed a second request to Advanta on or about March 16, 1999. Advanta responded by sending Grant Thornton a December 31, 1998, Advanta servicing report that showed an inventory of \$6 million in loans owned by Keystone (account #405). As this amount was significantly different than the \$242 million in loans that Keystone-owned loans that Bank

records indicated Advanta was servicing, Buenger telephoned an Advanta employee on April 7, 1999, concerning the discrepancy.

(28) Buenger's telephone call with Advanta employee Patricia Ramirez lasted only three minutes. Shortly afterward, Ramirez sent Buenger an email that showed that Advanta serviced \$236 million in loans held by United National Bank (account #406). The email did not state that Keystone owned these loans, nor even mention Keystone. However, Buenger added a handwritten note on a copy of this email that, according to a conversation with Ramirez, "the loans coded under the 'United' name actually belong to Keystone as of December 31, 1998." Grant Thornton took no further action to verify Keystone's purported ownership of the \$236 million in Advanta-serviced loans until OCC examiners ultimately obtained contradictory documentation directly from Advanta in August of 1999.

(29) Grant Thornton's failure to follow up on the conversation with an Advanta employee, and the reliance on oral evidence rather than written evidence contained in the email, also violates AU § 330.29 of GAAS: "If the information in the oral confirmation is significant, the auditor should request the parties involved to submit written confirmation of the specific information directly to the auditor."

(30) Had Grant Thornton followed AU § 330 and obtained sufficient understanding of Keystone's "warehousing" relationship with United, Grant Thornton would have seen an even more obvious need to investigate further and obtain additional information as to who owned the \$236 million in loans.

(31) In failing to follow GAAS with respect to the Advanta confirmation request, and in failing to pursue information strongly suggesting that the assets stated on Keystone's financial

statements were materially misstated, Grant Thornton consciously disregarded a known or apparent risk. Grant Thornton also knew, or should have known, that the consequences of disregarding this risk were unquestionably material because the amount of the apparent discrepancy between Keystone's financial statements and records obtained from Advanta amounted to over \$200 million dollars, or approximately 20% of the reported assets of the Bank.

G. Compu-Link Confirmation

(32) In January of 1999, Buenger mailed a confirmation request to Compu-Link that contained language identical to that in the Advanta confirmation request. Compu-Link sent a confirmation response to Grant Thornton on January 13, 1999, stating that "the total balance of Keystone loans" serviced by Compu-Link as of December 31, 1998, was \$227 million. This number included loans connected to the Keystone/United relationship—both loans owned by United as well as loans owned by Keystone. In actuality, over \$200 million of these loans belonged to United, with the rest belonging to Keystone. By failing to design the confirmation process for the Compu-Link confirmation appropriately, Grant Thornton violated GAAS and ignored a known or obvious risk that the confirmation could be materially misstated.

H. Interest Income Verification

(33) Also as part of its 1998 audit, Grant Thornton sought to verify Keystone's reported receipt of approximately \$99 million from loan servicers, which purportedly represented borrowers' repayment of loans owned by Keystone. In actuality, Keystone had received far less in interest income since it did not actually own the loans for which borrowers were making payments.

(34) In an attempt to verify the \$99 million figure, Susan Buenger undertook analytical tests that sought to determine whether the amounts of interest income stated by Keystone were reasonable, considering other factors, such as the volume of loans stated by Keystone on its Reports of Condition and Income.

(35) Buenger did so despite Grant Thornton's determination that the Keystone audit presented "maximum" risk that errors and irregularities could cause the financial statements to contain a material misstatement, and "maximum" risk that Keystone's internal controls were inadequate to detect material misstatements. Under the San Jacinto Settlement Order, Grant Thornton was required to "design the audit to provide reasonable assurance of detecting errors and irregularities that are material to the financial statements." Such procedures were also required by AU § 316. However, the procedures employed by Grant Thornton simply used Bank records to confirm the accuracy of other Bank records. Grant Thornton relied upon internal Bank records, including Reports of Condition and Income, even though it knew in performing its risk assessment that the OCC has assessed civil money penalties against the Bank's directors in 1998 for filing inaccurate Reports. None of the procedures involved "substantive" tests such as review of checks, remittances, wire receipts, or other external documents. Such procedures were necessary and appropriate under GAAS due to the high risk of material misstatements. Grant Thornton's failure to perform such procedures ignored a significant known or obvious risk that the financial statements were materially misstated and that Grant Thornton's procedures would not detect such misstatements. Had Grant Thornton attempted to perform substantive testing of documents to verify the Bank's interest income, Grant Thornton would have discovered that

such documents did not exist because the Bank had not received the interest income claimed on its financial statements.

I. Audit Opinion

(36) After Grant Thornton audit manager for the Keystone engagement, Susan Buenger, completed work relating to the year-end 1998 audit, including the loan confirmation and interest income verification procedures described above, Grant Thornton's partner for the Keystone engagement, Stanley Quay, reviewed and approved her workpapers. Subsequently, other accountants at Grant Thornton reviewed and approved the workpapers before the audit was completed.

(37) In April of 1999, Grant Thornton issued an unqualified audit opinion on the year-end 1998 financial statements of Keystone to the Bank. By issuing this unqualified opinion, Grant Thornton opined that the financial statements of the Bank were fairly represented in accordance with GAAS and GAAP, and that the financial statements contained no material misstatements. However, in actuality, the financial statements overstated the Bank's assets by approximately \$500 million -- the amount of United-owned loans that Keystone insiders falsely represented as owned by the Bank. The financial statements also materially misstated the amount of interest income received by Keystone during 1998 by millions of dollars.

(38) Had Grant Thornton followed GAAS and GAAP in conducting its audit, and had Grant Thornton not disregarded a known or obvious risk that the Bank's financial statements contained material misstatements, Grant Thornton would have discovered that the Bank did not own over \$500 million in loans stated on the Bank's financial statements and was in fact insolvent. Had Grant Thornton discovered this fact, and upheld its duty to convey this fact to the

Bank's Board of Directors and the OCC, the OCC would have closed the Bank prior to September 1, 1999 and avoided further dissipation of the bank's assets

(39) Between April of 1999, when Grant Thornton issued its unqualified audit opinion on the financial statements of Keystone, and September 1, 1999, the Bank declared and paid dividends and incurred operating losses and costs amounting to millions of dollars.

(40) From August of 1998 until September 1, 1998, Grant Thornton received approximately six hundred thousand dollars (\$600,000) from the Bank as compensation for auditing, accounting, and other services that Grant Thornton performed for or on behalf of the Bank.

J. Insolvency Uncovered by OCC

(41) In the summer of 1999, examiners from the OCC and the Federal Deposit Insurance Corporation (FDIC) began a full scope regulatory examination of Keystone. During this examination, examiners discovered certain discrepancies in Bank records and sought to resolve the discrepancies by obtaining information directly from the Bank's primary loan servicers, Advanta and Compu-Link.

(42) In late August of 1999, Advanta and Compu-Link provided documentation directly to the OCC that indicated they were servicing hundreds of millions of dollars less in Keystone-owned loans than the Bank had reported on its records and financial statements.

(43) This documentation indicated that the Bank's liabilities significantly outweighed its assets. As a result, the OCC declared the Bank insolvent, closed it, and appointed the FDIC as receiver on September 1, 1999.

(44) Between Grant Thornton's issuance of its unqualified audit opinion in April of 1999, and the OCC's closure of the Bank on September 1, 1999, the Bank experienced significant losses (including dividend payments and operating losses) that it would not have experienced had Grant Thornton properly performed its audit and discovered the fraud earlier. In fact, had the OCC and FDIC not uncovered the fraud on or about September 1, 1999, the Bank would have remained open and would have continued to suffer additional losses for an undetermined period of time.

ARTICLE III

GROUND FOR ASSESSMENT OF CIVIL MONEY PENALTY

(45) This Article repeats and realleges all previous Articles.

(46) Grant Thornton's conduct of its audit of the Bank's year-end 1998 financial statements, with respect to its process for confirming ownership of loans serviced by others which Keystone purported to own, violated GAAS and constituted reckless participation in unsafe or unsound banking practices in that it facilitated the continued false and fraudulent representation of the Bank's assets.

(47) Grant Thornton's conduct of its audit of the Bank's year-end 1998 financial

statements, with respect to its verification of interest income purportedly received by Keystone, as reported on the Bank's year-end 1998 financial statements, violated GAAS and constituted reckless participation in unsafe or unsound banking practices in that it facilitated the continued false and fraudulent representation of the Bank's income.

(48) Grant Thornton's reckless participation in unsafe and unsound practices as described above caused more than a minimal loss to the Bank and therefore meets the statutory standard for a civil money penalty under 12 U.S.C. § 1818(i)(2)(B).

(49) Grant Thornton's conduct of the audit as discussed above represented continuing and reckless participation in unsafe or unsound banking practices from at least the date the audit opinion was issued in April of 1999 until the OCC declared the Bank insolvent, closed the Bank, and appointed the FDIC as receiver on September 1, 1999, a period of not less than one hundred and twenty (120) calendar days.

WHEREFORE, the Comptroller, through the authorized representative whose name appears below, hereby assesses the civil money penalties described herein, effective immediately.

OPPORTUNITY FOR HEARING

TAKE NOTICE that Respondent is hereby afforded the opportunity for a hearing before the Comptroller concerning this assessment, pursuant to 12 U.S.C. § 1818(i)(2)(H), provided that a request for such a hearing is made within twenty (20) days after service of this Notice. Any request for such a hearing shall be filed, in the form of an original and one copy, with the Office of Financial Institution Adjudication, 1700 G Street, N.W.,

Washington, D.C. 20552, and with the Hearing Clerk, Office of the Comptroller of the Currency (“OCC”), Washington, D.C. 20219.

The hearing afforded to the Respondent shall be open to the public, unless the Comptroller determines, in his discretion, that holding an open hearing would be contrary to the public interest.

If Respondent fails to request a hearing within twenty (20) days, this Notice shall constitute a final and unappealable order, pursuant to 12 U.S.C. §§ 1818(h)(2) and 1818(i)(2)(E)(ii). Failure to file an answer to this Notice within twenty (20) days of service, as required by 12 C.F.R. § 19.19, shall constitute a waiver of the right to appear and contest the allegations contained in this Notice and may cause the administrative law judge or the Comptroller to find the facts in this Notice to be true as alleged, and to issue an appropriate order based on these facts.

The civil money penalty assessed herein shall be made payable to the Treasurer of the United States and shall be remitted to the Office of the Comptroller of the Currency, P.O. Box 73150, Chicago, Illinois 60673-7150. The docket number of this case should appear on the check.

PRAYER FOR RELIEF

The Comptroller prays for relief in the form of the issuance of a final Order of Assessment directing Respondent to pay a Civil Money Penalty of three hundred thousand dollars (\$300,000), payable to the Treasurer of the United States.

Witness, my hand on behalf of the Office of the Comptroller of the Currency, given at
Washington, D.C. this 5th day of March, 2004.

/s/ Timothy W. Long

Timothy W. Long
Senior Deputy Comptroller
Mid-Size/Community Bank Supervision