

FEDERAL RESERVE press release



For immediate release

May 16, 1997

The Federal Reserve Board today announced the issuance of an Order to Cease and Desist against Kwai Por Au, a former assistant loan officer and institution-affiliated party of the Hang Seng Bank, U.S.A., Division of Marine Midland Bank, New York, New York.

Mr. Au, without admitting to any allegations, consented to the issuance of the Order based on his alleged improper lending activities.

A copy of the Order is attached.

Attachment

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D.C.

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In the Matter of ) Docket No. 97-011-B-I
                  )
KWAI POR AU      ) Order to Cease and
                  ) Desist Issued
A Former Officer and Institution- ) Upon Consent Pursuant
  Affiliated Party of ) to the Federal
HANG SENG BANK, U.S.A., ) Deposit Insurance Act,
DIVISION OF MARINE MIDLAND BANK ) As Amended
New York, New York )
- - - - - X

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WHEREAS, pursuant to Sections 8(b) and (i)(3) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. §§ 1818(b) and (i)(3)), the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this Order to Cease and Desist (the "Order") against Kwai Por Au, a former assistant loan officer and institution-affiliated party, as defined in Section 3(u) of the FDI Act (12 U.S.C. § 1813(u)), of Hang Seng Bank, U.S.A., Division of Marine Midland Bank, New York, New York ("Hang Seng"), based on Au's alleged improper lending activities; and

WHEREAS, by affixing his signature hereunder, Au has consented to the issuance of this Order by the Board of Governors, has agreed to comply with each and every provision of this Order, and has waived any and all rights he might otherwise

have pursuant to 12 U.S.C. § 1818 or 12 C.F.R. Part 263, or otherwise (a) to the issuance of a notice of charges and of hearing; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any manner the basis, issuance, validity, effectiveness or enforceability of this Order or any provision hereof.

NOW, THEREFORE, prior to the taking of any testimony or adjudication of or finding on any issue of fact or law implied or set forth herein, and without this Order constituting an admission by Au of any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settlement of this matter, without protracted or extended proceedings:

IT IS HEREBY ORDERED, pursuant to Sections 8(b) and (i)(3) of the FDI Act, that:

1. Upon becoming an institution-affiliated party of any institution or agency specified in Section 8(e)(7)(A) of the FDI Act (12 U.S.C. § 1818(e)(7)(A)), including, but not limited to, any insured depository institution, bank or thrift holding company, or U.S. agency or branch of a foreign bank, Au shall take such actions as are necessary, consistent with his responsibilities, to ensure that he will (a) comply with all

policies and procedures of his employer, particularly those policies and procedures pertaining to the lending function, (b) engage in lending activities in a manner that is consistent with his fiduciary duties and with safe and sound banking practices, and (c) comply fully with all applicable laws and regulations.

2. All communications regarding this Order shall be addressed to:

- (a) Mr. Donald T. Vangel
Senior Vice President
The Federal Reserve Bank
of New York
59 Maiden Lane, 10th Floor
New York, NY 10045
- (b) Mr. Kwai Por Au
69 71st Street
Brooklyn, NY 11209

3. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors or any federal or state agency or department from taking any other action affecting Hang Seng, Au, or any current or former institution-affiliated party of Hang Seng.

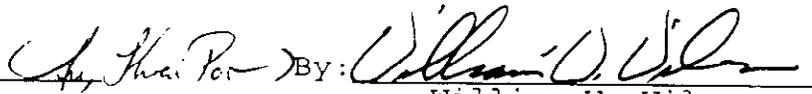
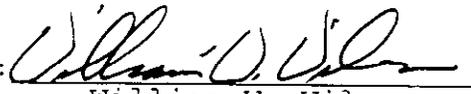
4. This Order, and each and every provision hereof, is and shall remain fully effective and enforceable until

expressly stayed, modified, terminated or suspended in writing by the Board of Governors.

By order of the Board of Governors effective this 14th day of May, 1997.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


Kwai Por Au

 BY: 
William W. Wiles
Secretary of the Board