

FEDERAL RESERVE press release



For immediate release

June 3, 1997

The Federal Reserve Board today announced the issuance of an Order of Prohibition against Donald G. Austin, a former employee and institution-affiliated party of The Bank of New York, New York, New York.

Mr. Austin, without admitting to any allegations, consented to the issuance of the Order due to his alleged making of unauthorized loans.

A copy of the Order is attached.

Attachment

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, DC

: :
: Docket No. 97-007-E-I
In the Matter of : :
: :
: Order of Prohibition
DONALD G. AUSTIN : :
: Issued Upon Consent
: Pursuant to the Federal
A Former Employee and : :
: Deposit Insurance Act,
Institution-Affiliated : :
: as Amended
Party of : :
: :
: :
THE BANK OF NEW YORK : :
: :
New York, New York : :
: :

WHEREAS, pursuant to sections 8(e) and 8(i)(3) of the Federal Deposit Insurance Act, as amended (the "Act") (12 U.S.C. 1818(e) and (i)(3)), the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this Order of Prohibition (the "Order") against Donald G. Austin ("Austin"), a former employee and institution-affiliated party, as defined in section 3(u) of the Act (12 U.S.C. 1813(u)), of The Bank of New York, New York, New York, a statemember bank, due to Austin's alleged making of unauthorized loans; and

WHEREAS, on May 14, 1997, Austin pled guilty in the U.S. District Court for the Southern District of New York to violating Title 18 of the United States Code Section 1344 (18 U.S.C. § 1344); and

WHEREAS, by affixing his signature hereunder, Austin has consented to the issuance of this Order by the Board of Governors and has waived any and all rights he might otherwise have pursuant to 12 U.S.C. 1818 or 12 CFR Part 263, or otherwise; (a) to the issuance of a notice of intent to prohibit; (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, terms, effectiveness or enforceability of this Order or any provision hereof.

NOW, THEREFORE, before the taking of any testimony or adjudication of or finding on any issue of fact or law herein; without this Order constituting an admission of any allegation made or implied by the Board of Governors in connection with this proceeding; and solely for the purpose of settlement of this proceeding, without protracted or extended hearings or testimony;

IT IS HEREBY ORDERED, pursuant to sections 8(e), (i)(3) and (j) of the Act (12 U.S.C. 1818(e), (i)(3) and (j)), that:

1. Austin, without the prior written approval of the Board of Governors and, where necessary pursuant to section 8(e)(7)(B) of the Act (12 U.S.C. 1818(e)(7)(B)), another federal financial institution regulatory agency, is hereby and henceforth prohibited from:

(a) Participating in any manner in the conduct of the affairs of any institution or agency specified in section (8)(e)(7)(A) of the Act (12 U.S.C. 1818(e)(7)(A)), including without limitation, any insured depository institution, or any bank or savings association holding company or nonbank subsidiary thereof or any U.S. branch or agency of a foreign bank;

(b) soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in section 8(e)(7)(A) of the Act;

(c) violating any voting agreement previously approved by any federal banking agency; or

(d) voting for a director, or serving as an institution-affiliated party, such as an officer, director or employee, of any institution described in section 8(e)(7)(A) of the Act.

2. Any violation of this Order shall separately subject Austin to appropriate criminal or civil penalties or both under section 8 of the Act (12 U.S.C. 1818).

3. 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.

4. All communications regarding this Order shall addressed to:

(a) Mr. William Rutledge
Senior Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

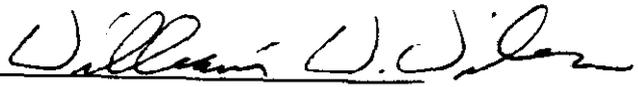
(b) Mr. Donald G. Austin
139 Ramona Court
New Rochelle, NY 10804

5. 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 Austin.

By order of the Board of Governors effective this 29th
day of May, 1997.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


Donald G. Austin

By: 
William W. Wiles
Secretary of the Board