

**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	:	
	:	
Joseph C. Liu	:	Docket No. 99-018-GS-II
	:	
An Institution-Affiliated Party of	:	Notice of Suspension
	:	Issued Pursuant to
GREAT EASTERN BANK,	:	Section 8(g) of the
Flushing, New York	:	Federal Deposit Insurance Act,
	:	as Amended
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The Board of Governors of the Federal Reserve System (the “Board of Governors”) finds that:

(A) Joseph C. Liu (“Liu”), the President and Chief Executive Officer of the Great Eastern Bank, Flushing, New York (“GEB”), a state member bank, and an institution-affiliated party of GEB, as defined in section 3(u) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. 1813(u)), was indicted under seal on or about July 28, 1999 by a grand jury impaneled in the United States District Court for the Eastern District of New York, pursuant to sections 371, 656 and 1005 of the U.S. Criminal Code (18 U.S.C. 371, 656 and 1005).

(B) The crimes charged in the indictment are felonies involving dishonesty or breach of trust or both, and are punishable by imprisonment for a term exceeding one year.

(C) Liu’s continued service and participation as President and Chief Executive Officer and as a director of GEB poses a threat to the interests of the GEB’s depositors and impairs public confidence in the bank.

Accordingly, pursuant to sections 8(g)(1)(A) and (j) of the FDI Act (12 U.S.C. 1818(g)(1)(A) and 1818(j)) and section 263.71 of the Rules of Practice for Hearings of the Board of Governors (the “Rules of Practice”) (12 C.F.R. 263.71), the Board of Governors hereby issues this Notice of Suspension (the “Notice”) and provides notice that:

1. Liu is hereby suspended from his positions at GEB until the indictment is finally resolved by a conviction, plea or other disposition, and is further prohibited from (a) voting for a director or serving or acting as an institution-affiliated party of GEB; (b) violating any voting agreement previously approved by a Federal banking agency; and (c) directly or indirectly participating in any manner in the conduct of the affairs of GEB, including soliciting or procuring, or transferring or attempting to transfer, or voting or attempting to vote, any proxies, consents, or authorizations in respect of any voting rights in GEB.

2. Any violation of this Notice shall subject Liu to civil or criminal penalties or both under sections 8(i) and (j) of the FDI Act (12 U.S.C. 1818(i) and (j)).

3. This Notice and each and every provision hereof is and shall remain fully effective and enforceable until the criminal charge upon which this Notice is based is finally disposed of or until expressly stayed, modified, terminated or suspended in writing by the Board of Governors and shall, pursuant to section 8(g)(3) of the FDI Act (12 U.S.C. 1818(g)(3)) and subpart D of the Rules of Practice (12 C.F.R. Part 263, subpart D), remain effective and outstanding until the completion of any hearing or appeal authorized under section 8(g)(3) of the FDI Act.

4. (a) Notice is hereby given, pursuant to section 8(g)(3) of the FDI Act and section 263.72 of the Rules of Practice (12 C.F.R. 263.72), that Liu has the right to request in writing, within 30 days of service of this Notice, an informal hearing for the purpose of submitting written materials (or, at the discretion of the Board of Governors, oral testimony) to show that

his continued service at or participation in the affairs of GEB does not and is not likely to pose a threat to the interests of the bank's depositors or impair the public's confidence in GEB. Any written request for an informal hearing shall be filed with the Secretary of the Board of Governors, 20th and C Streets, N.W., Washington, D.C. 20551, within the time set forth herein and shall, in all other aspects, fully comply with the requirements of section 263.72 of the Rules of Practice.

(b) An informal hearing, if timely requested, shall be public and shall otherwise be held in accordance with the provisions of section 263.73 of the Rules of Practice (12 C.F.R. 263.73). The failure by Liu to file a timely written request for an informal hearing shall be deemed to be a waiver by him of the right to request such a hearing.

(c) In accordance with section 263.73(b) of the Rules of Practice (12 C.F.R. 263.73(b)), Liu may waive his right to an oral hearing by submitting a written request for such a waiver, and may instead elect to have the matter determined by the Board of Governors solely on the basis of written submissions. Such a written waiver and election shall be submitted to the Secretary of the Board of Governors within 30 days of service of this Notice.

5. The provisions of this Notice shall not bar, estop, or otherwise prevent the Board of Governors or any other Federal or State agency or department from taking any other action

affecting Liu or GEB, or any of the bank's current or former institution-affiliated parties and its successors or assigns.

Dated at Washington, D.C., this 28th day of July, 1999.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

by: \_\_\_\_\_  
Jennifer J. Johnson  
Secretary of the Board