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[¶16,069] **Docket No. FDIC-93-82PCAS (1-30-96)**

In the Matter of

PROVIDENT BANK

DALLAS, TEXAS

(Insured State Nonmember Bank)

WHEREAS, on July 28, 1993, the Federal Deposit Insurance Corporation ("FDIC") issued a Supervisory Prompt Corrective Action Directive ("Directive") against Provident Bank, Dallas, Texas ("Bank"), pursuant to section 38 of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1831o, which Directive is still in full force and effect; and

WHEREAS, the paragraph 7 of the Directive provides that pursuant to section 38(f)(4) of the Act, 12 U.S.C. § 1831o(f)(4), upon the effective date of the Directive, the Bank shall not pay any bonus to any senior executive officer that exceeds the rate as provided in section 38(f)(4)(A)(ii) of the Act, 12 U.S.C. § 1831o(f)(4)(A)(ii), without prior written approval of the FDIC; and

WHEREAS, by letter dated December 19, 1995, the Bank has requested the written approval of the FDIC with regard to the Bank's proposal to change its employee benefit plan by matching 25 percent of each employee's contribution to the Bank's 401k plan, not to exceed an aggregate annual contribution by the Bank of \$20,000 in 1996; and

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WHEREAS, the Bank has filed an acceptable capital restoration plan; and

WHEREAS, the FDIC finds that the modifying the Directive to allow the Bank to implement its proposal for calendar 1996, will further the purpose of section 38 of the Act, 12 U.S.C. § 1831o.

NOW, THEREFORE, IT IS DIRECTED, that paragraph 7 of the Directive is hereby modified by issuing this MODIFICATION OF SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE ("MODIFICATION") adding paragraph 7(d) as follows:

"(d) Notwithstanding the above, for calendar year 1996, the Bank is permitted to make a matching contribution to each employee's 401k plan at the Bank constituting 25 percent of each employee's own contribution to the Bank's 401k plan, not to exceed an aggregate annual contribution by the Bank of \$20,000."

IT IS FURTHER DIRECTED, that the MODIFICATION shall apply only to contributions made in calendar year 1996, and should the Bank seek to continue such contributions beyond that time, the Bank must seek the prior written approval of the FDIC as provided in section 38(f)(4) of the Act, 12 U.S.C. § 1831o(f)(4).

IT IS FURTHER DIRECTED, that all of the provisions of the outstanding Directive, including this MODIFICATION, shall remain in full force and effect unless terminated, modified, or set aside by the FDIC.

Dated this 30th day of January, 1996.