

[{{3-31-97 p.C-2952}}](#)

[¶10,698] **In the Matter of Security Bank of Kansas City, Kansas City, Kansas, Docket No. FDIC-92-373b (12-29-92).**

Bank to cease and desist from such unsafe or unsound practices as violating Regulation O. (*This order was terminated by order of the FDIC dated 1-6-97. See ¶16,144.*)

[\[.1\]](#) **Loans—Specific Individuals—Restricted**

[\[.2\]](#) **Shareholders—Disclosure—Cease and Desist Order**

In the Matter of

SECURITY BANK OF KANSAS CITY KANSAS CITY, KANSAS

(Insured State Nonmember Bank)

ORDER TO CEASE AND DESIST

FDIC-92-373b

Security Bank of Kansas City, Kansas City, Kansas ("Bank"), having been advised of its right to a Notice of Charges and of Hearing detailing the unsafe or unsound banking practices and violations of law and/or regulations alleged to have been committed by the Bank and having been further advised of its right to a hearing on such alleged charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b), and having waived those rights as to this proceeding only, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with counsel for the Federal Deposit Insurance Corporation ("FDIC"), dated December 16, 1992, whereby solely for the purpose of this proceeding and without admitting or denying any unsafe or unsound banking practice or violation of law and/or regulations, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC.

The FDIC considered the matter and determined that it had reason to believe that the Bank had engaged in unsafe or unsound banking practices and had violated laws and/or regulations. The FDIC, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED, that the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), its seccessors and assigns cease and desist from the following violations of law and/or regulations:

A. violating Regulation O of the Board of Governors of the Federal Reserve System ("Regulation O"), 12 C.F.R. Part 215, and section 337.3 of the FDIC Rules and Regulations, 12 C.F.R. § 337.3; and

B. violating section 23A of the Federal Reserve Act, 12 U.S.C. § 371c.

IT IS FURTHER ORDERED THAT:

[\[.1\]](#) 1. (a) Except as provided in paragraph 1(b), the Bank shall not make any extension of credit, directly or indirectly, including any further advances on any existing extension of credit, to or for the benefit of Frank S. Morgan, I.I. Ozar, or Sherman W. Dreiseszun ("the Individuals") or any of their related interests, including, but not limited to, those related interests identified in Attachment A to this Order.

(b) The Bank may renew any existing extension of credit ("initial renewal") to the Individuals or any of their related interests, *provided*:

- (i) the initial renewal complies with all applicable state and federal laws and regulations and is made consistent with safe and sound banking practices;
- (ii) the Bank advances no additional funds for any purpose whatsoever; and
- (iii) the initial renewal provides for scheduled principal payments during the term of the loan.

The Bank shall not make any additional renewal of any initial renewal unless the requirements of this paragraph 1(b) are satisfied with respect to the additional renewal and principal payment on the initial renewal has been made in accordance with the schedule required by item (iii) of this paragraph.

[\[.2\]](#) 2. No more than 60 days from the effective date of this ORDER, the Bank shall [{{3-31-97 p.C-2953}}](#) send to its shareholders a description of this ORDER. The description shall fully describe this ORDER in all material respects. The description and any accompanying communication, statement or

notice shall be sent to the FDIC, Registration and Disclosure Section 550 17th Street, N.W., Washington, D.C. 20429, for review at least 20 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC shall be made prior to dissemination of the description, communication, notice or statement.

For the purposes of this ORDER, the following terms have the meanings indicated:

(a) "Company" shall have the same meaning as defined in section 215.2(a) of Regulation O, 12 C.F.R. § 215.2(a).

(b) "Extension of credit" shall have the same meaning as defined in section 215.3 of Regulation O, 12 C.F.R. § 215.3.

(c) "Relative" means any person related by blood or marriage to the Individuals.

(d) "Related interest" shall have the same meaning as defined in section 215.2(k) of Regulation O, 12 C.F.R. § 215.2(k), including any company of which 25 percent or more of the total outstanding ownership interest is held by the Individuals, their relatives, or any trust for the benefit of the Individuals or their relatives, either individually or in the aggregate through any combination of the Individuals, and/or their relatives, trusts, or companies.

This ORDER shall become effective immediately upon its service on the Bank.

The provisions of this ORDER shall be binding upon the Bank and its institution-affiliated parties, successors and assigns.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

Dated this 29th day of December, 1992.

Pursuant to delegated authority.

Attachment A to
Order to Cease and Desist

Security Bank of Kansas City
Kansas City, Kansas

FDIC-92-373b

Related Interests of Frank S. Morgan, I.I. Ozar and/or Sherman W. Dreiseszun.

1. MD Associates #3, Inc.
2. MDO Realty Associates
3. Downtown Club Garage
4. G-Downtown Redevelopment Partners
5. One Kansas City Place Partners
6. One Petticoat Lane Partners, L.P.
7. 12 Wyandotte Plaza Associates
8. Executive Hills 8140 Partners, L.P.
9. OMD Reality Associates
10. Executive Hills Building 40 Partners
11. MBB Co.
12. Executive Hills East Partners, L.P.
13. CBJ, L.P.
14. South Partners, L.P.
15. Heartland Hotel Associates, L.P.
16. M-D Hotel Associates, L.P.
17. M-D Hotel Management, Inc.
18. OZMD
19. Executive Hills Merchandise Mart Partnership
20. Overland Park Merchandise Mart Partnership, L.P.
21. 8880 Partners
22. 8880 Associates, L.P.
23. Executive Hills Building 50 Co.
24. Building 40 Associates, L.P.
25. 8400 Partners, L.P.
26. East II, L.P.

27. ZYX Company
28. South College, L.P.
29. Glenwood Associates
30. M-T Investment Company
31. MD Management, Inc.
32. Locarno Partners
33. Five Shopping Center Co.
34. MD Associates #4, Inc.
35. Plaza Steppes, L.P.

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