



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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OCC will Hold Hearing; Agency Seeks Fines, Restitution and Prohibition Order from Two Former Bankers

WASHINGTON, D.C. - The Office of the Comptroller of the Currency (OCC) today announced that it will hold a public hearing beginning Monday, May 14, 2001, in the agency's administrative proceeding against Gene Ulrich, former senior vice president and senior loan officer of Six Rivers National Bank, Eureka, California and against Susan Diehl-McCarthy, former vice president and loan officer of Six Rivers National Bank.

The OCC seeks \$232,000 in restitution from Mr. Ulrich and Ms. Diehl-McCarthy as a result of losses the bank incurred from a series of loans approved by Mr. Ulrich and Ms. Diehl-McCarthy that were made to individual borrowers, but that went to the benefit of a small business. The agency also seeks to prohibit Mr. Ulrich and Ms. Diehl-McCarthy from further participating in the affairs of any insured financial institution, and seeks civil money penalties in the amount of \$100,000 against Mr. Ulrich and \$50,000 against Ms. Diehl-McCarthy.

The OCC has charged that Mr. Ulrich and Ms. Diehl-McCarthy breached their fiduciary duty to the bank, engaged in unsafe and unsound banking practices and violated federal banking law in 1996 when they made five individual loans in the aggregate amount of \$900,000 to friends and associates of the owner of the small business that were for the benefit of the small business. The loans resulted in an alleged violation of the legal lending limit on loans to one borrower. The legal lending limit permits loans to one borrower up to 15 percent of a bank's capital and surplus.

The hearing will commence at 2 p.m. P.S.T. in Room 205A of the Federal Court Building at 5th and H Streets, Eureka, California. After the first two weeks, the hearing will resume at 9 a.m. P.S.T., Tuesday, May 29, 2001, in Room 1350 of the Federal Building and U.S. Courthouse, 450 Golden Gate Avenue, San Francisco, California. OCC administrative actions are open to the public as required by the statute.

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OCC charters, regulates and examines approximately 2,200 national banks and 56 The federal branches of foreign banks in the U.S., accounting for more than 55 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.