
Joint Release

**The Office of the Comptroller of the Currency
The Office of the New York State Attorney General
The Securities and Exchange Commission
The U.S. Department of Labor**

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**Federal and State Agencies Announce Actions Against Security Trust Company;
Phoenix Bank will Undergo Orderly Dissolution and Close by March 31, 2004**

The Office of the Comptroller of the Currency, the Securities and Exchange Commission, and the New York Attorney General today jointly announced a series of actions against Phoenix, Arizona-based Security Trust Company, N.A. (STC) and three former executives, arising from their participation in mutual fund late trading and market timing schemes.

The NYAG announced criminal actions against STC's former chief executive officer, Grant D. Seeger; its former president, William A. Kenyon; and its former senior vice president for corporate services, Nicole McDermott.

The SEC announced the filing of civil fraud charges against STC, Seeger, Kenyon, and McDermott.

The OCC announced that STC will begin a process that will result in an orderly dissolution of the bank by March, 31, 2004. An order signed today by the OCC, which is the bank's primary regulator, requires the bank to take steps to ensure that the trust accounts and investment plans it administers experience the minimum disruption possible. The OCC also took an enforcement action against STC last month requiring the bank's controlling shareholder, Capital Management Investors Holdings, Inc. (CMIH), Chicago, Illinois, to provide a substantial capital infusion and make a general pledge of its assets that ensures the bank will have sufficient funds available for an orderly dissolution.

The Labor Department's Employee Benefits Security Administration, which enforces provisions of the Employee Retirement Income Security Act that are designed to protect retirement and employee benefit plans, also participated in the OCC investigation.

An investigation by the New York Attorney General's office implicated Security Trust in certain improper and illegal activities, including late trading and market timing, and triggered an investigation by the other agencies.

"I want to thank the OCC, SEC and Labor Department for their excellent assistance and cooperation on this case," said New York Attorney General Eliot Spitzer. "Coordination by regulators is imperative in ensuring that individuals and corporations are held

accountable for misdeeds, and this case shows how that can be accomplished.”

“This action is an impressive example of cooperation between state and federal government agencies,” said Comptroller of the Currency John D. Hawke, Jr. “Everyone involved displayed a high degree of professionalism and dedication, and acted in the best interests of the American people.”

“Financial intermediaries who illegally permit their customers to trade mutual fund shares at the expense of long-term investors violate the securities laws and will be held accountable,” said Stephen M. Cutler, Director of the SEC's Division of Enforcement. “Today's important action was a product of swift investigation and effective cooperation by federal and state agencies alike.”

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