

## Press Releases

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July 1, 1999

### OTS 99-42 - United Payers & United Providers Approved by OTS to Acquire Thrift

#### Office of Thrift Supervision

#### News Release

FOR RELEASE at 8:30 A.M. EDT

For further information

Wednesday, July 1, 1999

Contact: William Fulwider

OTS 99-42

202/906-6913

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### United Payors & United Providers Approved By OTS To Acquire Thrift

WASHINGTON, D.C., July 1, 1999 - United Payors & United Providers, Inc. (UP & UP), Rockville, Md., received approval today from the Office of Thrift Supervision (OTS) to acquire Quantum Financial Holdings, Inc., and its wholly owned subsidiary, Baltimore American Savings Bank, a federally chartered thrift based in Baltimore. Both Quantum and UP & UP become unitary thrift holding companies.

Baltimore American, founded in 1956 as a state-chartered savings association, converted to stock and a federal charter in July 1987. It underwent a reorganization into a holding company structure in July 1995 at which time Quantum Financial became the holding company. The thrift has assets of approximately \$28 million and is primarily a single-family mortgage lender.

UP & UP has developed a network of providers offering nationwide access to discounted health care services for payers of health care services that contract with it. Payors include traditional indemnity insurance companies, self-insured entities, unions and federal government health plans. At year-end 1998, the provider network consisted of approximately 2,900 hospitals, 14,500 ancillary medical facilities and 153,000 physicians located in all 50 states and the District of Columbia. Through arrangements with other local or regional providers, an additional 3,600 facilities and 62,000 physicians participate.

UP & UP is the successor to an Iowa company formed in early 1995 by Thomas L. Blair and an affiliate of Principal Mutual Holding Company, Des Moines. Since Principal operates Principal Bank, a federal thrift chartered in late 1997, it has reduced its holding in UP & UP to less than 5 percent to avoid, along with its subsidiaries, becoming multiple thrift holding companies engaged in impermissible activities. Most of the shares went into a trust which, in turn, has an agreement to sell all of the shares to Blair.

During the first year of operations, Baltimore American is to report to OTS on a quarterly basis all transfers of shares from the trust, and on a semi-annual basis after that. OTS must approve any tax sharing agreement between the holding company and the savings bank.

Another condition of OTS' approval requires at least 40 percent of the thrift's directors to be individuals who are not officers or employees of the holding companies or affiliates, and at least one member to be independent of the thrift, holding companies and affiliates. The thrift also must comply with interagency guidelines on Year 2000 readiness.

United Payors Approval Order

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents call PubliFax at 202/906-5660, or visit the OTS web page at <http://www.ots.treas.gov>.