

**UNITED STATES OF AMERICA  
OFFICE OF THRIFT SUPERVISION  
DEPARTMENT OF TREASURY**

In The Matter of )

Gerald G. Barton, Former Chairman )  
of the Board of Directors, )  
Oak Tree Savings Bank, S.S.B. )  
New Orleans, Louisiana, )

William W. Vaughan III, Former )  
Director and General Counsel, )  
Oak Tree Savings Bank, S.S.B. )  
New Orleans, Louisiana, )

Joe W. Walser, Jr., Former Director, )  
Oak Tree Savings Bank, S.S.B. )  
New Orleans, Louisiana, )

OTS AP-91-89

OTS AP-94-06

Order No. MWR-99-12

Date: November 22, 1999

**OFFER OF SETTLEMENT BY**  
**JOE W. WALSER, JR.**

**I.**

Respondent Joe W. Walser, Jr. ("Walser") hereby submits this Offer of Settlement ("Offer") to the Office of Thrift Supervision (the "OTS"). This Offer is submitted for the sole purpose of disposing of the allegations and issues raised in the Second Amended Notice of Charges issued by the OTS, Order No. AP 94-06, dated February 10, 1994 ("Notice").

**II.**

This Offer is submitted solely for the purpose of terminating all litigation as it relates to Walser, and shall be null and void and shall not be used in any manner in any proceeding if it is not accepted by the OTS as hereinafter set forth.

III.

Without admitting or denying the factual and legal allegations of the Notice, and without any adjudication of any issue of fact or law, and because of his desire to avoid additional time and expense of such administrative litigation, and in accordance with Rule 408 of the Federal Rules of Evidence, Walser:

1. Admits the jurisdiction of the OTS with respect to the matters set forth in the Notice;
2. Stipulates that the record basis for this proceeding consists of the Notice, Walser's

Answer, and this Offer;

3. Acknowledges service of the Notice; and
4. Waives:
  - a. a hearing;
  - b. all post-hearing procedures;
  - c. entry of findings of fact and conclusions of law;
  - d. judicial review of the OTS's order by any court;
  - e. any objection of the staff's participation in OTS's consideration of this Offer;
  - f. any and all pending and potential claims against the OTS, including its employees and agents, and any other government entity for the award of fees, costs or expenses arising under common law or under the Equal Access of Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

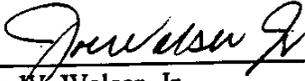
IV.

Walser consents, solely by virtue of this Offer and not any adjudication on the merits, to the entry of an Order to Cease and Desist and Order of Assessment of Civil Money Penalty ("Order") by the OTS in the form attached hereto and incorporated herein by reference.

V.

The undersigned states that he has read and understands the foregoing Offer and declares that no promises or agreements of any kind have been made to or with the undersigned other than those

represented in this Offer and in the Order and that the submission of this Offer is a free and voluntary act on his part.

  
\_\_\_\_\_  
Joe W. Walser, Jr.

**UNITED STATES OF AMERICA  
OFFICE OF THRIFT SUPERVISION  
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|--------------------------------------|---|-------------------------|
| In The Matter of                     | ) |                         |
|                                      | ) |                         |
| Gerald G. Barton, Former Chairman    | ) |                         |
| of the Board of Directors,           | ) |                         |
| Oak Tree Savings Bank, S.S.B.        | ) |                         |
| New Orleans, Louisiana,              | ) |                         |
|                                      | ) |                         |
| William W. Vaughan III, Former       | ) | OTS AP-91-89            |
| Director and General Counsel,        | ) | OTS AP-94-06            |
| Oak Tree Savings Bank, S.S.B.        | ) |                         |
| New Orleans, Louisiana,              | ) | Order No. MWR-99-12     |
|                                      | ) |                         |
| Joe W. Walser, Jr., Former Director, | ) | Date: November 22, 1999 |
| Oak Tree Savings Bank, S.S.B.        | ) |                         |
| New Orleans, Louisiana,              | ) |                         |
|                                      | ) |                         |

**ORDER TO CEASE AND DESIST AND ORDER  
OF ASSESSMENT OF CIVIL MONEY PENALTY  
AGAINST JOE W. WALSER, JR.**

WHEREAS, the Office of Thrift Supervision ("OTS") has issued a Second Amended Notice of Charges: OTS Order No. AP 94-06, dated February 10, 1994 ("Notice") against Respondent Joe W. Walser, Jr. ("Walser"), asserting certain enforcement claims arising out of Walser's activities as a former director of Oak Tree Savings Bank, S.S.B., New Orleans, Louisiana, now in receivership ("Oak Tree"), and seeking, among other things, an order for assessment of civil money penalty, pursuant to Section 8(i)(2) of the FDIA, 12 U.S.C. § 1818(i)(2), and Section 8(b)(8) of the FDIA, 12 U.S.C. § 1818(b)(8), and an Order to Cease and Desist that would provide that Walser shall cease and desist from any unsafe or unsound practices as an institution-affiliated party within the meaning of Section 3(u) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(u); and

WHEREAS, Respondent Walser has submitted an Offer of Settlement ("Offer") in the above-captioned proceeding. Upon consideration, the OTS has determined to accept the Offer<sup>1</sup> solely on the basis of the consent evidenced by the Offer and without any adjudication on the merits.

**THE OTS HEREBY ORDERS THAT:<sup>2</sup>**

1. Within fourteen (14) days of the effective date of this Order, Walser shall pay a civil money penalty of \$10,000, by tendering a certified check to the OTS in that amount payable to the Treasurer of the United States. The check shall be sent, together with a cover letter stating the name of the association and this OTS Order Number, and a copy of the Order, to the following address: Controller's Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C. 20552. A copy of the cover letter to the Controller's Division, and a photocopy of the check shall be sent to Gary C. Anderberg, Office of Thrift Supervision, P. O. Box 619027, Dallas/Fort Worth, Texas 75261-9027.
2. Walser shall cease and desist from any unsafe or unsound practice as an institution-affiliated party within the meaning of Section 3(u) of the FDIA.

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<sup>1</sup> In the Offer, without admitting or denying the allegations of the Notice in this proceeding, Walser acknowledges service of the Notice; admits the jurisdiction of the OTS with respect to the matters set forth in the Notice; waives a hearing, all post-hearing procedures, judicial review of OTS's Order by any court, any objection to the staff's participating in the OTS's consideration of the Offer, and any and all claims against the OTS for the award of fees, costs or expenses arising under common law or under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and stipulates that the record basis for this proceeding consists of the Notice, Walser's Answer, and the Offer.

<sup>2</sup> Solely by virtue of the Offer and not by an adjudication on the merits, this Order to Cease and Desist and Order of Assessment of Civil Money Penalty Against Walser ("Order") may be used in any proceeding brought by the OTS to enforce this Order; provided, however, that there shall be no use of the Notice in such a proceeding except in connection with a proceeding to enforce this Order. The Notice, the Offer, and this Order, or the relief consented to by virtue of the Offer, shall not be used by OTS for any other purpose. Negotiation of the terms of this Order, including conduct and statements made in connection therewith, shall not be admissible in accordance with Rule 408 of the Federal Rules of Evidence.

3. When, as a director, officer or controlling person of a federally insured depository institution, Walser has reason to know, by way of regulatory criticism or otherwise, of any unsafe and unsound practice or violation of law or regulation in which the institution has engaged or is about to engage, Walser shall:
  - (a) make independent inquiries and review pertinent documentation and regulations as appropriate, rather than relying solely on representations of others, to determine that alleged unsafe and unsound practices and/or regulatory violations by such institution are corrected; and
  - (b) submit for approval by the institution's board of directors, adequate policies and procedures to prevent recurrence of such practices and/or violations by the institution.
4. Walser shall cease and desist from acts, omissions, or practices which constitute a breach of fiduciary duty to any federally insured depository institution.
5. As a director, officer or controlling person of a federally insured depository institution, or any holding company thereof, Walser shall obtain advice of competent counsel on his duties and responsibilities, both initially upon accepting such a position and when particular issues arise that may cause Walser to be uncertain about his responsibilities.
6. The Notice and Offer are made a part hereof and are incorporated herein by this reference.
7. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued.

8. This Order constitutes the final disposition of all allegations in the Notice of Charges for penalties, monetary and non-monetary administrative relief that could have been brought by the OTS against Walser in connection with any aspect of his activities as a director of Oak Tree, including its holding companies, subsidiaries and service corporations. All OTS proceedings against Walser related to the Notice of Charges are hereby terminated and no future civil or administrative proceedings shall be commenced by the OTS against Walser relating to Oak Tree, including its holding companies, subsidiaries and service corporations.
9. Walser shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.
10. The terms and provisions of this Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. This Order applies only to Walser as an individual, and does not apply to any corporation, firm or other business with which Walser may be or may become affiliated.
11. A copy of this Order shall be served upon Walser through his designated counsel, Jack G. Bush.

**THE OFFICE OF THRIFT SUPERVISION**

By: *FR Casteel*  
Frederick R. Casteel, Regional Director

Dated: 11-22-99