

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY

In the Matter of:)
PAUL D. CLAYTON)
Former President and Director)
of Eureka Homestead Society,)
New Orleans, Louisiana)
Respondent)

OTS No. AP-96-32
November 1, 1996

OTS Order No.: MWR-97-02
Date: March 14, 1997

OFFER OF SETTLEMENT BY
PAUL D. CLAYTON

I.

Respondent Paul D. Clayton ("Clayton") 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 Notice of Charges ("Notice") issued by the OTS in this proceeding, on November 1, 1996.

II.

This Offer is submitted solely for the purpose of terminating this proceeding 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 for purposes of this proceeding, and without adjudication of any issue of fact or law, Clayton:

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 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; and
 - f. any and all 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 to Justice Act, 5 U.S.C. 504 and 28 U.S.C. 2412.

IV.

Clayton consents, solely by virtue of this Offer and not any adjudication on the merits, to the entry of an Order of Prohibition and an Order to Cease and Desist for Restitution ("Orders") by the

OTS in the form attached hereto and incorporated herein by reference. Clayton further agrees to comply with the terms of the Orders upon issuance and stipulates that the Orders comply with all requirements of law.

V.

Clayton agrees that, at the OTS's request, on reasonable notice and without service of a subpoena, he will provide discovery and testify truthfully at any deposition and at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by the OTS relating to Eureka Homestead and its institution-affiliated parties, except that Clayton does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution.

VI.

Clayton acknowledges and agrees that pursuant to 11 U.S.C. 523(a)(ii), his restitution obligation under the Order is not a dischargeable debt, and he waives any right to seek discharge of such obligation in any bankruptcy proceeding.

VII.

The undersigned states that he has read and understands the foregoing Offer and declares that no promise or inducement of any

kind has been made by OTS or its staff to induce him to tender this Offer, and that the submission of this Offer is a free and voluntary act on his part.

Paul D. Clayton

Paul D. Clayton

2/26/97

Date

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In the Matter of:)	
PAUL D. CLAYTON)	
Former President and Director)	OTS No. AP-96-32
of Eureka Homestead Society,)	Date: November 1, 1996
New Orleans, Louisiana)	
)	OTS Order No. MWR-97-02
Respondent)	Date: March 14, 1997

ORDER OF PROHIBITION
AND
ORDER TO CEASE AND DESIST FOR RESTITUTION

WHEREAS, the Office of Thrift Supervision ("OTS") issued a Notice of Charges on November 1, 1996, in the above-referenced administrative proceeding and Respondent Paul D. Clayton ("CLAYTON") has submitted an Offer of Settlement ("Offer"); and

WHEREAS, upon consideration, the OTS has determined to accept the Offer; and

WHEREAS, the Director of the Office of Thrift Supervision ("OTS") has delegated to the Regional Directors of the OTS the authority to issue orders of prohibition and orders to cease and desist on behalf of the OTS where the Respondent has consented to the issuance of the orders.

NOW THEREFORE, IT IS ORDERED that:

ORDER OF PROHIBITION

1. CLAYTON is prohibited from further participation, in any manner, in the conduct of the affairs of Eureka Homestead Society, New Orleans, Louisiana ("Eureka Homestead"), and any successor institution, holding company, subsidiary, and/or service corporation thereof.

2. CLAYTON, except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of 12 U.S.C. Sc 1818(e)(7)(B)(ii), shall not:

(a) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. Sc 1818(e)(7)(A), including, but not limited to:

- (i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- (ii) any institution treated as an insured bank under 12 U.S.C. ScSc 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. Sc 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;
- (iii) any insured credit union under the Federal Credit Union Act [12 U.S.C. Sc 1781 et seq.];
- (iv) any institution chartered under the Farm Credit

Act of 1971 [12 U.S.C. Sc 2001 et seq.];

- (v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. Sc 1818(e)(7)(A)(v); and
- (vi) the Federal Housing Finance Board and any Federal Home Loan Bank.

(b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 U.S.C. Sc 1818(e)(7)(A);

(c) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. Sc 1813(q); or

(d) vote for a director, or serve or act as an "institution-affiliated party," as that term is defined at 12 U.S.C. Sc 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

3. The Offer is made a part hereof and is incorporated herein by this reference.

4. This Order is subject to the provisions of 12 U.S.C. Sc 1818(j).

5. CLAYTON shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

IT IS FURTHER ORDERED that:

ORDER TO CEASE AND DESIST FOR RESTITUTION

6. CLAYTON shall make payment of restitution to Eureka Homestead in the amount of \$75,000.00. This payment shall be made within thirty (30) days of the entry of a criminal sentencing order against CLAYTON in U.S. v. Paul D. Clayton, Criminal Docket No. 96-354, U.S. District Court, Eastern District of Louisiana, or by September 30, 1997, whichever is later. CLAYTON shall receive credit towards his obligation to Eureka Homestead pursuant to this Order for any restitution payments made to Eureka Homestead in conjunction with the above-described criminal sentencing order.

7. It is understood that the OTS has agreed to accept the amount of restitution described in Paragraph 6 of this Order based, in part, on CLAYTON's representations about his current financial condition as set forth in a written statement of financial condition dated February 26, 1997, ("Statement of Financial Condition"), which has been signed by CLAYTON. In the event that any information included in the Statement of Financial Condition is found to be false or misleading with respect to any material fact, or if in connection with the Statement of Financial Condition, CLAYTON has omitted to state a material fact concerning any matter addressed in the Statement of Financial Condition, then, without limitation on other remedies available under federal law, the OTS may, in the exercise of its discretion seek any available remedy, including the assessment of civil money penalties.

8. CLAYTON shall comply with Paragraph six (6) of this Order by delivering a cashier's check, in the required amount, payable to

Eureka Homestead to the attention of:

President
Eureka Homestead Society
2525 Canal Street
New Orleans, Louisiana 70161

A copy of this cashier's check shall be forwarded to Gary C. Anderberg, OTS Enforcement Counsel, 122 West John Carpenter Freeway, Suite 600, Irving, Texas 75039-2010.

9. This Order is and shall become effective on the date it is issued, as shown in the caption thereof. This Order shall remain in effect until it is terminated, modified or suspended, which may occur only by formal action of the OTS, acting by and through its Director, Regional Director, or other authorized representative.

THE OFFICE OF THRIFT SUPERVISION

By:



Frederick R. Casteel
Midwest Regional Director