

**UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION**

In the Matter of:)

James Edward Bryson,)

**Former Employee and
Institution-Affiliated Party
of:**)

**Greater South Texas Bank, FSB
Falfurrias, Texas
OTS No. 07433**)

OTS Order No.: MWR-02-11

Dated: October 25, 2002

**STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER
TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF**

WHEREAS, the Office of Thrift Supervision (OTS), based upon information derived from the exercise of its regulatory responsibilities, has informed **JAMES EDWARD BRYSON (Bryson)** former employee and institution-affiliated party (Vice President) of Greater South Texas Bank, FSB, Falfurrias, Texas OTS No. 07433 (GSTB or the Institution), that the OTS is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against **Bryson**, pursuant to 12 U.S.C. § 1818(b).¹

WHEREAS, **Bryson** desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, but admitting the statements and conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

¹All references in this Stipulation and Consent and in the Order of Prohibition are to the U.S.C. as amended.

1. Jurisdiction

(a) GSTB at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, GSTB was an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) **Bryson**, as a former officer and employee of GSTB, is deemed to be an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, **Bryson** is subject to the authority of the OTS to initiate and maintain prohibition proceedings against him, pursuant to 12 U.S.C. § 1818(e).

2. OTS Findings of Fact

The OTS finds that:

(a) At all times relevant to this matter **Bryson** was Vice President of GSTB. On or about July 8, 2002, **Bryson** filed a Biographical and Financial Report (Report) that was part of GSTB's Interagency Notice of Change in Director or Senior Officer as required by 12 C.F.R. Sections 563.550 through 563.590 (Notice). The Notice and Report sought, among other things, the proposal to promote **Bryson** to the Senior Vice President and Chief Financial Officer for GSTB. **Bryson** made false certifications in the Report and Notice, failing to disclose the true facts and circumstances surrounding his prior termination of employment at Frost National Bank.

(b) The above-described actions by **Bryson** constituted a breach of fiduciary duty, an unsafe and unsound practice, and/or violation of OTS regulations.

3. Consent

Bryson consents to the issuance by the OTS of the accompanying Order to cease and desist for affirmative relief (Order). **Bryson** further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality

The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director or designee for the Midwest Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers

Bryson waives the following:

(a) the right to be served with a written notice of the OTS's charges against him as provided by 12 U.S.C. § 1818(b);

(b) the right to an administrative hearing of the OTS's charges against him as provided by 12 U.S.C. § 1818(e);

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

6. Indemnification

Bryson shall neither cause nor permit GSTB (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order. Nor shall **Bryson** obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of **Bryson** in connection with this action shall be returned to GSTB (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected

(a) **Bryson** acknowledges and agrees that the consent to the issuance of the Order is for the purpose of resolving this action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of **Bryson** that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

(b) By signing this Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief, **Bryson** agrees that he will not assert this proceeding, his consent to the issuance of the Order, and/or the issuance of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other Federal or state governmental entity.

8. Agreement for Continuing Cooperation

Bryson agrees that, at the OTS's request, on reasonable notice and without service of a subpoena, he will provide whatever 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 GSTB, its holding companies, its subsidiaries, and its institution-affiliated parties, except that **Bryson** does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If **Bryson** invokes a privilege against self-incrimination under the Fifth Amendment of the United States Constitution with respect to any matter about which the OTS inquires or the production of any document requested by the OTS and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 et seq., **Bryson** agrees, consistent with any such grant of immunity, to provide discovery and testify truthfully at any deposition and at any judicial, administrative, or investigative proceeding on the matter for which immunity is given.

WHEREFORE, Bryson executes this Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief, intending to be legally bound hereby.

By:

Accepted by:
Office of Thrift Supervision

James Edward Bryson
James Edward Bryson

Frederick R. Casteel
Frederick R. Casteel
Midwest Regional Director

Dated: 10/15/02

Dated: 10-25-02

ACKNOWLEDGMENT

State of Texas

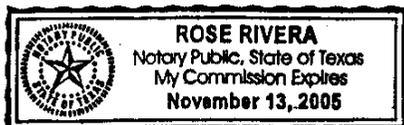
County of Dallas

On this 15th day of October, 2002, before me, the undersigned notary public, personally appeared James Edward Bryson and acknowledged his execution of the foregoing Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief.

Rose Rivera
Notary Public

My Commission expires:

11-13-05



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James Edward Bryson,

**Former Employee and
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of:**

**Greater South Texas Bank, FSB
Falfurrias, Texas
OTS No. 07433**

OTS Order No.: MWR-02-11

Dated: October 25, 2002

**ORDER TO CEASE AND DESIST
FOR AFFIRMATIVE RELIEF**

WHEREAS, James Edward Bryson (Bryson) has executed a Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief (Stipulation); and

WHEREAS, Bryson, by his execution of the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist for Affirmative Relief (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. §1818(b); and

WHEREAS, the Director of OTS, through the Deputy Director, has delegated to the Regional Directors of OTS authority to issue Orders to Cease and Desist on behalf of OTS where the respondent has consented to the issuance of the Order.

NOW THEREFORE, IT IS ORDERED that:

1. If **Bryson** becomes an institution-affiliated party within the meaning of Section 3(u) of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. § 1813(u), **Bryson** shall cease and desist

from any action (either alone or with another or others) for or toward causing, bringing about, participating in, counseling or aiding and abetting any unsafe and unsound practice(s), breaches of fiduciary duty, conflicts of interest, violation of any written agreement or order with the OTS, or violation of any OTS regulations.

2. If **Bryson** ever applies to become a director, officer or controlling person of a federally insured depository institution, **Bryson** shall disclose the existence of the Order that has been issued in conjunction with **Bryson's** execution of this Stipulation.

3. If **Bryson** is ever required to file a Biographical and Financial Report (Report) required pursuant to 12 C.F.R. Sections 563.550 through 563.590, his Report shall fully and accurately disclose the facts and circumstances surrounding (a) **Bryson's** termination of employment at Frost National Bank and, (b) the Order that has been issued in conjunction with **Bryson's** execution of this Stipulation.

4. The Stipulation is made a part hereof and is incorporated herein by this reference.

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

6. 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.

7. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. The Stipulation and Order shall remain in effect until terminated, modified or suspended, in writing by the OTS, acting through its Director, Deputy Director, Regional Director or other authorized representative

THE OFFICE OF THRIFT SUPERVISION
By:



Frederick R. Casteel
Midwest Regional Director