

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:

DEBBY S. EARLS

Former Employee and
Institution-Affiliated Party
of:

HomeBanc, Federal Savings Bank,
Rockford, Illinois

RE: OTS Order No. CHI-94-12

Dated: April 4, 1994

ORDER OF PROHIBITION

WHEREAS, Debby S. Earls ("EARLS") has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation") on March 31, 1994; and

WHEREAS, EARLS by her execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. EARLS is prohibited from further participation, in any manner, in the conduct of the affairs of HomeBanc, Federal Savings Bank, Rockford, Illinois and any successor institution, holding company, subsidiary, and/or service corporation thereof.

2. EARLS shall not hold any office in, or participate in any manner in the conduct of the affairs of any Federally regulated depository institution or any of the other entities that are described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. §1818(e)(7)(A), without the prior written approval of OTS (acting through its Director or an authorized representative thereof) and, the "appropriate Federal financial institutions regulatory agency" for the Federally regulated depository institution which is involved. Due to the operation of Section 8(e)(6) of the FDIA, 12 U.S.C. §1818(e)(6), conduct prohibited by this Order, without the said prior written approval of the OTS and the "appropriate Federal banking agency", also includes, without limitation: (1) soliciting, procuring, transferring, attempting to transfer, voting, or the attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. §1818(e)(7)(A); and (2) voting for a director, or serving as an institution-affiliated party.

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

4. 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, as shown in the caption above.

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

THE OFFICE OF THRIFT SUPERVISION
By:

/s/

RONALD N. KARR
REGIONAL DIRECTOR
CENTRAL REGIONAL OFFICE

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In the Matter of:

DEBBY S. EARLS

Former Employee and
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HOMEBANC, FEDERAL SAVINGS BANK,
ROCKFORD, ILLINOIS

RE: OTS Order No. CHI-94-12

Dated: April 4, 1994

STIPULATION AND CONSENT TO ENTRY
OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Debby S. Earls ("EARLS"), former employee and institution-affiliated party of HomeBanc, Federal Savings Bank, Rockford, Illinois ("HomeBanc" or "Institution") that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceeding against EARLS pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e).¹

WHEREAS, EARLS 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,

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

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hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) HomeBanc, at all times relevant hereto, was a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, HomeBanc was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) EARLS, as a former employee of HomeBanc, is deemed to be an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 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 Section 3(q) of the FDIA, 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, EARLS is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against her pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS finds that between July 10, 1992 and February 16, 1993, EARLS, without authorization, misapplied \$7,325 of the funds of HomeBanc to her own use.

3. Consent. EARLS consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). She 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 Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the Central Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. EARLS waives the following:

(a) the right to be served with a written notice of the OTS's charges against her (referred to as a Notice of Intention to Prohibit) (see Section 8(e) of the FDIA);

(b) the right to an administrative hearing of the OTS's charges against her (see Section 8(e) of the FDIA); and

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

6. Indemnification. EARLS shall neither cause or permit HomeBanc (or any successor institution, holding company, subsidiary or service corporation thereof) to incur, directly

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or indirectly, any expense for any legal (or other professional expenses) incurred relative to the negotiation and issuance of the Order of Prohibition, nor 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 EARLS in connection with this action shall be returned to HomeBanc (or the successor institution, holding company, subsidiary or service corporation thereof).

7. Other Government Actions Not Affected.

(a) EARLS acknowledges and agrees that the consent to the entry of the Order is for the purpose of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of EARLS 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 Entry of an Order of Prohibition, EARLS agrees that she will not assert this proceeding, her consent to the entry of the Order, and/or the entry 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

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

THE OFFICE OF THRIFT SUPERVISION
By:

/s/

RONALD N. KARR
REGIONAL DIRECTOR
CENTRAL REGIONAL OFFICE

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