

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

\_\_\_\_\_ )  
In the Matter of )

HAROLD WAYNE MORRIS, )  
FORMER LOAN OFFICER OF )

FIRST FEDERAL SAVINGS AND LOAN )  
ASSOCIATION OF RUSSELL COUNTY, )  
PHENIX CITY, ALABAMA )  
\_\_\_\_\_ )

Resolution No.: ATL-93-12  
Date: March 12, 1993

STIPULATION AND CONSENT TO THE ENTRY  
OF A CEASE AND DESIST ORDER

The Office of Thrift Supervision ("the OTS"), by and through its Regional Director for the Southeast Region, and Harold Wayne Morris ("Mr. Morris"), former loan officer of First Federal Savings and Loan Association of Russell County, Phenix City, Alabama, Docket No. 3422 ("First Federal" or "the Institution"), stipulate and agree as follows:

1. Consideration

The OTS, based upon information derived from the exercise of its supervisory and regulatory powers, is of the opinion that grounds exist to initiate administrative cease and desist proceedings against Mr. Morris pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. § 1818(b) (West 1989 & Supp. 1992). Such grounds include unsafe and unsound practices in conducting the business of the Institution, and violations of laws, rules, and regulations, as follows:

1. In his capacity as loan officer for First Federal, Mr. Morris submitted written inspection reports to the Institution for certain of its residential construction loans that inaccurately reflected the amount of work completed on the homes. Based on these inaccurate inspection reports, First Federal disbursed construction loan funds to certain contractors for work that had not in fact been completed.
2. Mr. Morris violated 12 C.F.R. § 563.170(c)(1)(viii) and engaged in unsafe and unsound practices in the operation of First Federal by submitting inaccurate inspection reports to the Institution. Mr. Morris' unsafe and

unsound practices contributed to losses the Institution ultimately suffered on the subject construction loans.

Mr. Morris desires to cooperate with the OTS and to avoid the time and expense of such administrative cease and desist proceedings and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiation of such administrative proceedings against him with respect to the matters covered in the accompanying Order to Cease and Desist ("the Order").

The OTS is willing to forbear from the initiation of cease and desist proceedings against Mr. Morris to require the actions referred to in the accompanying Order for so long as he is in compliance with the provisions of that Order.

## 2. Jurisdiction

(a) First Federal is a "savings association" within the meaning of Section 3(b)(1) of the FDIA, 12 U.S.C.A. § 1813(b)(1). The Institution is an "insured depository institution" as that term is defined in Section 3(c)(2) of the FDIA, 12 U.S.C.A. § 1813(c)(2).

(b) In his capacity as loan officer of First Federal, Mr. Morris was an "institution-affiliated party" as that term is defined in Section 3(u)(1) of the FDIA, 12 U.S.C.A. § 1813(u)(1).

(c) Pursuant to Section 8(b)(1) of the FDIA, 12 U.S.C.A. § 1818(b)(1), the appropriate Federal banking agency may issue a cease and desist order against any institution-affiliated party who engages in unsafe and unsound practices in conducting the business of an insured depository institution and/or violates a law, rule, or regulation.

(d) Pursuant to Section 3(q)(4) of the FDIA, 12 U.S.C.A. § 1813(q)(4), the Director of the OTS is the "appropriate Federal banking agency" in the case of any savings association. Therefore, Mr. Morris is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against him pursuant to Section 8(b) of the FDIA.

## 3. Consent

Mr. Morris consents to the issuance by the OTS of the accompanying Order. He further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality

The Order is issued under Section 8(b) of the FDIA, 12 U.S.C.A. § 1818(b). Upon its issuance by the Regional Director for the Southeast Region of the 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.A. § 1818(i).

5. Waivers

Mr. Morris waives his right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, 12 U.S.C.A. § 1818(b), and further waives any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C.A. § 1818(h), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Regional Director for the Southeast Region, and Mr. Morris execute this Stipulation and Consent to Issuance of an Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

By: \_\_\_\_\_ /S/  
John E. Ryan  
Regional Director  
Southeast Region  
Office of Thrift Supervision

\_\_\_\_\_/S/  
Harold Wayne Morris

