

executed a document committing the Association to provide "the total financing needs" of the borrower of approximately \$40,000,000. OTS believes that these loans and commitments, approval of which Orebaugh participated in, were speculative, not properly underwritten nor adequately supported by feasibility studies, and unsafe or unsound, and thus, Orebaugh demonstrated a willful and continuing disregard for the safety and soundness of the Association that caused substantial financial loss to the Association.

2. The OTS and Orebaugh, hereby stipulate and agree as follows:

A. Stipulation. The OTS, based upon the information reported to it, is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against Orebaugh pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183, 450-464 ("FIRREA"), 12 U.S.C. § 1818(e) (1988 & Supp. I 1989). Orebaugh 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, hereby stipulates and agrees to the following terms in consideration of the forbearance of the OTS from initiating such a proceeding against him with respect to the matters described in paragraph 1 above.

B. Jurisdiction.

(1) The Association was a "savings association" within the meaning of Section 2(4) of the Home Owners' Loan Act of 1933, as amended by FIRREA, 12 U.S.C. § 1813(b) (1988 & Supp. I 1989). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(c) (1988 & Supp. I 1989).

(2) Orebaugh, as a former Director and President of the Association, 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) (1988 & Supp. I 1989). Orebaugh served in such capacity within 6 years of the date hereof. See 12 U.S.C. § 1818(i)(3) (1988 & Supp. I 1989).

(3) Pursuant to Section 3(q) of the FDIA, as amended, 12 U.S.C. § 1813(q) (1988 & Supp. I 1989), the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association and/or its institution-affiliated parties. Therefore, Orebaugh is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e) (1988 & Supp. I 1989).

C. Consent. Orebaugh consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

D. Finality. The Order is issued by the OTS under the authority of Section 8(e) of the FDIA, 12 U.S.C. § 1818(e) (1988 & Supp. I 1989). Upon issuance of the Order, it shall be a final order that is effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(i) (1988 § Supp. I 1989)).

E. Waivers. Orebaugh waives his right to a notice of charges and the administrative hearing provided by Section 8(e) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e) (1988 & Supp. I 1989), and waives his right to all post-hearing proceedings, and the entry of findings of fact or conclusions of law under the Administrative Procedure Act ("APA"), 5 U.S.C. §§ 554-557, 12 U.S.C. § 1818(b), and the OTS Rules of Practice and Procedure in Adjudicatory Proceedings, 12 C.F.R. Part 509 (1992), or any other applicable provision of law. Orebaugh waives his right to appeal the Order pursuant to Section 8(h) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(h) (1988 & Supp. I 1989), or any other applicable provision of law.

F. Representations. OTS' decision to enter into this

Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation") has been predicated in part upon a sworn statement by Orebaugh that the tax returns and financial statement ("Financial Disclosures") submitted to OTS by Orebaugh are true and correct. Orebaugh understands that should the OTS discover or learn from any source that the Financial Disclosures made by him were false, including but not limited to Orebaugh's failure to identify and/or properly value any asset or liability, the OTS reserves the right to void the settlement reached between the OTS and Orebaugh, including this Stipulation and the Order, and initiate an administrative proceeding against Orebaugh or take any other legal action that the OTS, in its sole discretion, deems appropriate.

G. Release. The OTS hereby releases and forever discharges Orebaugh from any and all claims, demands or causes of action of any kind regarding the Association that OTS has based upon: (1) matters described in paragraph 1 above and (2) acts or omissions by Orebaugh that are currently known to OTS or its agents from their examinations or investigations of the Association; provided, however, that nothing in this Release shall release or discharge any person or entity other than Orebaugh; and provided, further, that nothing in this Release shall release or discharge Orebaugh: (1) from claims, if any, OTS has or may have based on acts or omissions by Orebaugh that are currently not known to OTS from their examinations or investigation of the Association, or (2) from claims, if any, OTS has or may have if Orebaugh's Financial

Disclosures to OTS, described in paragraph F above, are discovered to be false.

H. Settled Claims.

(1) This Stipulation and Order do not release, discharge, compromise, settle, dismiss or resolve, or in any way affect, any civil actions, charges against, or liability of Orebaugh that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation or any other governmental entity other than the OTS.

(2) Orebaugh acknowledges and agrees that Orebaugh's consent to the entry of the Order is for the purpose of resolving this OTS enforcement matter only, and does not resolve, affect or preclude any other civil or criminal proceedings which may be or have been brought against Respondent by the OTS or any other governmental entity.

I. Effective Date. This Order shall be effective when it is issued by the OTS.

J. Service. A copy of this Order shall be served upon Orebaugh.

K. Construction. The construction and validity of this Stipulation and Order shall be governed by the laws of the United States of America.

L. Authority. Authority to accept this Stipulation and issue the Order has been delegated by the OTS to the undersigned Regional Director of the Southeast Regional Office.

WHEREFORE, intending to be legally bound hereby, Orebaugh executes this Stipulation and Consent to Entry of an Order of Prohibition and the OTS (acting by and through the undersigned) accepts this Stipulation and Consent to Entry of an Order of Prohibition.

THE RESPONDENT

/S/

~~HOWARD D. OREBAUGH~~

OFFICE OF THRIFT SUPERVISION
Accepted:

/S/

~~JOHN E. RYAN~~
Regional Director
Southeast Regional Office

participation, in any manner, in the conduct of the affairs of United Savings Bank, Vienna, Virginia ("the Association") and any holding company, subsidiary, and/or service corporation thereof.

2. Howard D. Orebaugh may not hold any office in, or participate in any manner in the conduct of the affairs of any Federally regulated depository institution or the other entities that are described in Section 8(e)(7)(A) of the FDIA, as amended by FIRREA (12 U.S.C. § 1818(e)(7)(A) (1988 & Supp. I 1989)), without the prior written approval of the OTS (acting through its Director or an authorized representative thereof) and, the "appropriate Federal banking agency" for the Federally regulated depository institution which is involved. Due to the operation of Section 8(e)(6) of the FDIA, as amended 12 U.S.C. § 1818(e)(6) (1988 & Supp. I 1989), conduct prohibited by this Order, without the said prior written approval of the OTS and of the "appropriate Federal banking agency," includes, without limitation: (1) the solicitation, procuring, transfer, attempt to transfer, vote, or the attempt 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) (1988 & Supp. I 1989), and (2) serving or acting 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, as amended by FIRREA 12 U.S.C. § 1818 (j) (1988 & Supp. I 1989), and shall become effective on the date it is issued, as shown in the caption above.

THE OFFICE OF THRIFT SUPERVISION
By:

/S/

JOHN E. RYAN
Regional Director
Southeast Regional Office