

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

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In the Matter of	)	
	)	
<b>STEPHEN R. BELTZER</b>	)	
	)	Re: Order No. KC-93-10
Former President, Director and	)	
Institution Affiliated Party	)	Dated: September 7, 1993
	)	
<b>HOME FEDERAL SAVINGS AND LOAN</b>	)	
<b>ASSOCIATION OF GRAND ISLAND</b>	)	
<b>GRAND ISLAND, NEBRASKA</b>	)	
_____	)	

**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 STEPHEN R. BELTZER, a former officer and director of Home Federal Savings and Loan Association of Grand Island, Grand Island, Nebraska (Docket No. 03519) ("the Association") that the OTS is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against STEPHEN R. BELTZER pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e)<sup>1</sup>; and

WHEREAS, STEPHEN R. BELTZER 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:

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1. All references in this Stipulation and Consent and the Order of Prohibition to the United States Code are as amended.

1. Jurisdiction & Facts.

(a) The Association is 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, 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) STEPHEN R. BELTZER, as a former president and director 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), having served in such capacity within six 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" to maintain an enforcement proceeding against such a savings association and/or its institution-affiliated parties. Therefore, STEPHEN R. BELTZER 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).

(d) From 1988 to 1990, STEPHEN R. BELTZER participated in the approval of loan renewals to three business associates to whom he was personally indebted without disclosing his relationships to the board of directors or the OTS. Such participations and approvals evidence breaches of fiduciary duty, violations of 12 C.F.R. § 571.7, and unsafe and unsound practices in willful and continuing disregard for the safety and soundness of the Association. By reason of such breaches, violations, and practices, the Association suffered substantial financial loss. Furthermore, in order to conceal these actions,

STEPHEN R. BELTZER knowingly made false and misleading statements and/or omitted material facts during meetings with OTS examiners concerning his financial relationships with the three borrowers, which statements and omissions evidence personal dishonesty on the part of Mr. Beltzer.

2. Consent. STEPHEN R. BELTZER 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, including Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

3. 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 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, 12 U.S.C. § 1818(i).

4. Waivers. STEPHEN R. BELTZER waives the following legal rights:

(a) the right to be served with a written notice of the OTS's charges against him (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 him (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.

5. Indemnification. STEPHEN R. BELTZER shall neither cause or permit the Association (or any subsidiary 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 of Prohibition, nor obtain any indemnification (or other reimbursement) from the Association (or any subsidiary thereof) with respect to such amounts. Any such payments received by or on behalf of the Respondent in connection with this action shall be returned to the Association.

6. This Stipulation and Consent and the Order does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of STEPHEN R. BELTZER that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation or any other government entity other than the OTS.

7. STEPHEN R. BELTZER acknowledges and agrees that this proceeding, and his consent to the entry of the Order are for the purposes of resolving this OTS enforcement matter only. By signing this document STEPHEN R. BELTZER agrees that he will not assert a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

8. STEPHEN R. BELTZER acknowledges that Section 8(j) of the FDIA sets forth criminal penalties for knowing violations of this Order.

WHEREFORE, STEPHEN R. BELTZER executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound hereby.

/S/

\_\_\_\_\_  
STEPHEN R. BELTZER

ACCEPTED BY THE  
OFFICE OF THRIFT SUPERVISION

/S/

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Frederick R. Casteel  
Midwest Regional Director

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of )  
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STEPHEN R. BELTZER )  
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A Former President, Director and )  
Institution Affiliated Party )  
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Re: Order No. KC-93-10

Dated: September 7, 1993

HOME FEDERAL SAVINGS AND LOAN )  
ASSOCIATION OF GRAND ISLAND )  
GRAND ISLAND, NEBRASKA )  
)

ORDER OF PROHIBITION

WHEREAS, STEPHEN R. BELTZER has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation") on August 4, 1993; and

WHEREAS, STEPHEN R. BELTZER by his 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. STEPHEN R. BELTZER is prohibited from further participation, in any manner, in the conduct of the affairs of Home Federal Savings and Loan Association of Grand Island, P.O. Box 1009, Grand Island, Nebraska 68802 ("the Association") and any holding company, subsidiary, and/or service corporation thereof.

2. STEPHEN R. BELTZER 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, 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 banking 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 of the "appropriate Federal banking agency", also 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); and (2) voting for a director, or 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, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued, as shown in the caption above.

5. STEPHEN R. BELTZER 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**

/S/

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Frederick R. Casteel  
Regional Director  
Midwest Regional Office