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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
Ana Maria Cantu, Former)
Executive Vice President)
of)
Greater South Texas Bank,)
F.S.B.)
Falfurrias, Texas)
_____)

Re: DAL-93-37

Dated: November 5, 1993

STIPULATION AND CONSENT TO
ENTRY OF AN ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office, and Ana Maria Cantu ("Ms. Cantu"), former executive vice president of Greater South Texas Bank, F.S.B., Falfurrias, Texas (OTS No. 07433) ("the Association"), hereby stipulate and agree as follows:

1. CONSIDERATION.

- (a) The OTS, based upon information derived from the exercise of its regulatory responsibilities, is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against Ms. Cantu pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e)¹.
- (b) Ms. Cantu desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting

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

or denying that such grounds exist, hereby stipulates and agrees to the the following terms in consideration of the forbearance of OTS from initiating such a proceeding against her with respect to the matters described below.

2. **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) Ms. Cantu, as a former executive vice 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), having served in such capacity within 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" to maintain an enforcement proceeding against such a savings association and/or its institution-affiliated parties. Therefore, Ms. Cantu 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).
- (d) The following are the grounds for this prohibition action. With willful disregard for safe and sound practices, in breach of her fiduciary duty, and at a loss, of approximately \$654,298 to the Association:

- (i) Ms. Cantu exceeded her loan authority in overextending credit to the Dickey Ford and Dunn Chevrolet car dealerships. Although Ms. Cantu was restricted by the Board from lending more than \$156,907 to the dealerships, as of December 31, 1992, she had overseen loans to the dealerships in the amount of \$538,717. The car dealership loans contained large and unattended delinquencies; of the 92 car titles securing loans, only 49 could be found; the used cars (collateral) had tremendously high mileage; the funded loans greatly exceeded the Association's guidelines; the borrowers' affairs were deteriorating; and the Association failed to inspect the dealership facilities and collateral used automobiles.
- (ii) Ms. Cantu also suppressed information about the car dealership loans from the Board of Directors and evaded mandatory reporting requirements for internal and regulatory reports. Further, Ms. Cantu used the Association's computer system for unauthorized purposes by falsifying interest payments and altering the interest payment dates to falsely show that the car dealership loans remained in current pay status. The car dealership loans totaling \$538,717 were charged off in 1992 because of their uncollectability.
- (iii) Ms. Cantu also made false entries in the Association's loan register on September 19th and 20th, 1991 on loans to two customers which were entered as \$2,700 but were

actually funded for \$27,000 a piece on a totally unsecured basis. The two loans were charged off as a \$54,000 loss on December 31, 1992 because of their uncollectability.

(iv) Various consumer loans overseen by Ms. Cantu totaling \$61,581 were charged off as uncollectable during March, 1993. Ms. Cantu also made false loan entries in the Association computer system on loans made to Association President and CEO, F. D. Stokes and to Joe Cantu, her relative.

3. CONSENT.

Ms. Cantu 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, including Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

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 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).

5. WAIVERS.

Ms. Cantu waives the following legal rights:

- (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 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.

Ms. Cantu 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.

7. This Stipulation and Consent and the Order does not compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Respondent 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.

8. Ms. Cantu acknowledges that Section 8(j) of the FDIA authorizes criminal penalties for knowing violations of this Order.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the OTS (acting by and through the undersigned) and Ana Maria Cantu execute this Stipulation and Consent to Entry of an Order of Prohibition.

OFFICE OF THRIFT SUPERVISION
By:

/S/

Frederick R. Casteel
Regional Director
Midwest Regional Office

THE RESPONDENT

/S/

Ana Maria Cantu

UNITED STATES OF AMERICA
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Re: DAL-93-37

Dated: November 5, 1993

ORDER OF PROHIBITION

WHEREAS, Ana Maria Cantu ("Ms. Cantu") has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation") on November 5, 1993 which is accepted and approved by the Office of Thrift Supervision ("OTS"), acting by and through its Regional Director; and

WHEREAS, Ms. Cantu, by her execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition ("Order"), 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. Ms. Cantu is prohibited from further participation, in any manner, in the conduct of the affairs of Greater South Texas Bank, F.S.B., Falfurrias, Texas, ("the Association") and any holding company, subsidiary, and/or service corporation thereof.
2. Ms. Cantu 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 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, 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. From the effective date of this Order, Ana Maria Cantu 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/

Frederick R. Casteel
Regional Director
Midwest Regional Office