

UNITED STATES OF AMERICA  
BEFORE THE  
OFFICE OF THRIFT SUPERVISION

\_\_\_\_\_  
In the Matter of )  
 )  
Terry L. Rose Cholakian )  
Former Executive Vice President )  
and Director of )  
Delta Savings Association of Texas )  
Alvin, Texas )  
\_\_\_\_\_

Re: Resolution No. DAL-92-05

Dated: January 14, 1992

STIPULATION AND CONSENT TO THE  
ENTRY OF A PROHIBITION ORDER

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office in Dallas, Texas, and Terry L. Rose Cholakian ("Cholakian") former Executive Vice President and Director of Delta Savings Association of Texas, Alvin, Texas ("Delta"), hereby stipulate and agree as follows:

1. CONSIDERATION

The OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against Cholakian 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). Cholakian desires to cooperate with the OTS and 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 OTS from initiating such administrative prohibition litigation against Cholakian.

2. JURISDICTION

- (a) Delta at all times relevant to the allegations set forth herein, 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 of 1933, as amended by Section 301 of FIRREA at 12 U.S.C. § 1462(4). Accordingly, it was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by Section 204 of the FIRREA, at 12 U.S.C. § 1813(c)(2).
- (b) Pursuant to Section 3(q) of the FDIA, as amended by Section 204 of the FIRREA at 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 or its institution-affiliated parties.
- (c) Cholakian was employed by Delta from approximately 1980 to 1986. During the course of her employment, Cholakian served as Executive Vice President and a Member of the Board of Directors.
  - (i) Contrary to safe and sound practices, and in breach of her fiduciary duty to Delta, from 4/15/83 to 10/15/84, Cholakian received from Delta, quarterly payments totaling approximately \$52,281, in addition

to her regular salary checks. These unauthorized payments represented a percentage of commitment fees earned by Delta on commercial loans which were closed.

- (ii) Cholakian facilitated the quarterly payments by deducting funds from the commitment fee income account and depositing the funds into a Delta suspense account in violation of 12 C.F.R. § 563.17-1 (now 12 C.F.R. § 563.170(c)). Subsequently the quarterly payments were deducted from the suspense account and transferred to the payroll account.
- (iii) Cholakian has violated 12 C.F.R. § 563.17-1 (now 12 C.F.R. § 563.170(c)), engaged in unsafe and unsound practices, and breached her fiduciary duty as an officer of Delta, within the meaning of 12 U.S.C. §§ 1818(e)(1)(A)(i)(1), 1818(e)(1)(A)(ii) and (iii).
- (iv) By reason of Cholakian's actions, Delta suffered a financial loss and Cholakian received a financial benefit of approximately \$52,281 within the meaning of 12 U.S.C. §§ 1818(e)(1)(B)(1) and (iii).

(v) Cholakian's actions involved personal dishonesty and demonstrated a willful and continuing disregard for the safety and soundness of Delta within the meaning of 12 U.S.C. §§ 1818(e)(1)(C)(i) and (ii).

(d) Cholakian was at all times relevant to the allegations set forth herein, an Executive Vice President of Delta, and as such was an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(u). Therefore, Cholakian 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) (1988 & Supp. I 1989).

3. CONSENT

Cholakian 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 under Section 8(e) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director for the Midwest Regional Office of the OTS in Dallas, Texas, it shall be a final order, 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).



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Re: Resolution No. DAL-92-05

Dated: January 14, 1992

ORDER OF PROHIBITION

WHEREAS, Terry L. Rose Cholakian ("Cholakian") has executed a Stipulation and Consent to the Entry of a Prohibition Order ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the Midwest Regional Office, Dallas, Texas; and

WHEREAS, Cholakian, in 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"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, 103 Stat. 183.

NOW THEREFORE, IT IS ORDERED that:

1. Cholakian is prohibited from further participation, in any manner, in the conduct of the affairs of Delta Savings Association of Texas, Alvin, Texas, and its service corporations.
2. Without the prior written approval of the Regional Director for the Midwest Regional Office and, if appropriate, another Federal

financial institutions regulatory agency, Cholakian may not hold any office in, or participate in any manner in the conduct of the affairs of any institution(s) or other entity as set forth 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). Pursuant to Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(E)(6) (1988 & Supp. i 1989), conduct prohibited by this Order includes, inter alia, the solicitation, the transfer or the exercise of any voting rights with respect to any securities issued by any insured depository institution.

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) (1988 & Supp. I 1989), and shall become effective on the date it is issued.

OFFICE OF THRIFT SUPERVISION

/S/

BY: \_\_\_\_\_  
BILLY C. WOOD  
REGIONAL DIRECTOR  
MIDWEST REGIONAL OFFICE  
DALLAS, TEXAS