

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

WILLIAM L. WATSON, III,)
President, Director and Chair-)
man of the Board of)

Secor Bank, FSB)
Birmingham, Alabama)

Resolution No.:ATL-92-13

Dated:February 3, 1992

STIPULATION AND CONSENT TO THE ISSUANCE OF AN
ORDER OF CIVIL MONEY PENALTY ASSESSMENT

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Southeast Region ("Regional Director"), and William L. Watson, ("Watson") President, Director, and Chairman of the Board of Secor Bank, FSB, Birmingham, Alabama, OTS No. 0896 ("Secor" or "Institution"), stipulate and agree as follows:

1. Consideration

Secor and its then directors entered into a written agreement on March 20, 1991, with OTS, as a result of a prior examination by OTS. As a result of a recent examination by OTS, it was noted that there were several overdrawn account balances that constituted violations of Section 22(h) of the Federal Reserve Act, and Section 215.4(d) of Regulation O.

The OTS, based upon information derived from the exercise of its supervisory and regulatory powers, is of the opinion that grounds exist to initiate an administrative civil money penalty assessment proceeding against Watson pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(i)(2) (1988 & Supp. I 1989) and pursuant to Section 18(j)(4) of the FDIA, 12 U.S.C. § 1828(j)(4). The grounds include repeated violations of Section 22(h) of the Federal Reserve Act, 12 U.S.C. § 375b (Prohibitions respecting loans, extensions of credit to executive officers and directors) and repeated violations of paragraph number 2 of the Supervisory Agreement entered into between OTS and Secor on March 20, 1991.

Watson desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding. Without admitting or denying the statements, conclusions or terms herein, Watson hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such proceeding against him for so long as he is in compliance with the provisions of the accompanying Order of Civil Money Penalty Assessment ("Order").

This Stipulation and the attached Order are issued solely to settle this proceeding. Watson acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and Watson's consent to the entry of the Order are for the purposes of resolving this OTS enforcement matter only, and does not resolve, affect or preclude any other civil or criminal proceeding which may be brought against Watson by OTS or another governmental entity.

By signing this document Watson agrees that he will not assert the assessment or payment of this penalty as the basis for a claim of double jeopardy in any future proceeding brought by another governmental entity, not OTS.

2. Jurisdiction

(a) Secor is a "savings association" within the meaning of Section 3(b)(1) of the FDIA, 12 U.S.C. § 1813(b)(1), and Section 2(4) of the Home Owners' Loan Act of 1933 ("HOLA"), 12 U.S.C. § 1462(4). The Institution is an "insured depository institution" as that term is defined in Section 3(c)(2) of the FDIA, 12 U.S.C. § 1813(c)(2).

(b) Watson is an "institution-affiliated party" of an insured depository institution within the meaning of Section 3(u)(1) of the FDIA, 12 U.S.C. § 1813(u)(1).

(c) Pursuant to Section 3(q)(4) of the FDIA, 12 U.S.C. § 1813(q)(4), the Director of the OTS is the "appropriate Federal banking agency" in the case of any savings association. Therefore, Watson is subject to the authority of the OTS to initiate and enforce an Order of Civil Money Penalty Assessment pursuant to Section 8(i) of the FDIA, 12 U.S.C. § 1818(i) and Section 18(j) of the FDIA, 12 U.S.C. § 1828(j).

3. Consent

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

