

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

\_\_\_\_\_  
In the Matter of )

DAN EUGENE MEALOR )

A Former Vice President )  
of Fulton Federal )  
Savings Bank )

Atlanta, Georgia )  
\_\_\_\_\_ )

Resolution No.: ATL-92-23  
Dated: March 16, 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 Southeast Region, and Dan Eugene Mealor, a former Vice President of Fulton Federal Savings Bank, Atlanta, Georgia, OTS Docket No. 2322 ("Fulton Federal"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information it has received as the primary Federal regulator of Fulton Federal, is of the opinion that grounds exist to initiate an administrative prohibition proceeding against Dan Eugene Mealor, pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. Section 1818(e) (1988 & Supp. I 1989). The facts in support of the OTS's belief include the following:

(a) During the period from approximately November 1987 to June 1989, Dan Eugene Mealor, former Vice President of Fulton Federal, served as manager of Fulton Financial Sales and Leasing Corporation ("Fulton Financial" or "the Subsidiary"), a wholly-owned subsidiary of the Institution organized to purchase automobile loans and leases from dealerships in the metropolitan Atlanta area.

(b) Under Mr. Mealor's direction, the dealer originated loan portfolio increased from approximately \$13,075,596 to approximately \$67,056,352.

(c) This increase in the loan portfolio was accomplished in large part through Mr. Mealor's disregard for program guidelines and other improprieties.

(d) During this same period, Mr. Mealor's efforts caused Fulton Federal to purchase dealer paper from dealers who were making loans far in excess of the value of the collateral securing the loans and loans to individuals with poor credit histories.

(e) Mr. Mealor, who was responsible for overseeing the approval of these loans, was aware of the poor quality of the loans.

(f) Mr. Mealor directly or indirectly took actions to conceal delinquent accounts and to understate repossessions on reports to management and to the Board of Directors.

(g) Mr. Mealor changed or debited and directed others

to change the Dealer Reserve accounts for approximately thirty delinquent loans in an effort to pay off the notes and thereby conceal the delinquent status of the loans.

(h) Mr. Mealor also postponed the delivery of repossessed automobiles in order to minimize the monthly repossession report figures.

(i) Fulton Federal incurred losses on indirect automobile loans and leases totaling approximately \$1.2 million in 1989 and \$2.4 million for the five months ended May 31, 1990, and is likely to incur further significant losses as a result of the improprieties in the Institution's indirect automobile loan and leasing program.

(j) Mr. Mealor disguised a loan to himself in the name of his father-in-law in order to obtain the loan proceeds.

As a result of these actions, Mr. Mealor engaged or participated in unsafe or unsound practices. By reason of the foregoing unsafe or unsound practices, Fulton Federal has suffered substantial financial loss or other damage. Further, such violations and unsafe and unsound practices demonstrate a willful or continuing disregard by Mr. Mealor for the safety and soundness of Fulton Federal.

Dan Eugene Mealor desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding 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 administrative proceeding against Dan Eugene Mealor.

2. Jurisdiction.

(a) Fulton Federal Savings was a "savings association" within the meaning of Section 3(b)(1) of the FDIA, 12 U.S.C. § 1813(b)(1), and Section 2 of the Home Owners' Loan Act of 1933 ("HOLA"), 12 U.S.C. § 1462 (Supp. I 1989). The Institution was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Dan Eugene Mealor as Vice President of Fulton Federal, was an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) The Director of the OTS is the "appropriate Federal banking agency" to maintain an administrative proceeding against such a savings association or its institution-affiliated parties, pursuant to Section 3(q)(4) of the FDIA, 12 U.S.C. § 1813(q)(4). Therefore, Dan Eugene Mealor 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).

3. Consent. Dan Eugene Mealor 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.

4. Finality. The Order is issued under Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director it shall be a final order, 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. Dan Eugene Mealor waives his right to a notice of intention to prohibit and the administrative hearing provided by Section 8(e) of the FDIA, 12 U.S.C. § 1818(e), and further waives his 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.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Regional Director for the Southeast Region, on behalf of the OTS, and Dan Eugene Mealor execute this Stipulation and Consent to the Entry of A Prohibition Order.

OFFICE OF THRIFT SUPERVISION

By: /S/

\_\_\_\_\_  
John E. Ryan  
Regional Director  
Southeast Region

/S/

\_\_\_\_\_  
Dan Eugene Mealor

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

\_\_\_\_\_  
In the Matter of )

DAN EUGENE MEALOR, )

A Former Vice President )  
of Fulton Federal )  
Savings Bank )

Atlanta, Georgia )  
\_\_\_\_\_ )

Resolution No.: ATL-92-23  
Dated: March 16, 1992

ORDER OF PROHIBITION

WHEREAS, Dan Eugene Mealor 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 Southeast Region; and

WHEREAS, Dan Eugene Mealor 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"), 12 U.S.C. § 1818(e) (1988 & Supp. I 1989).

NOW THEREFORE, IT IS ORDERED that:

Dan Eugene Mealor  
Prohibition Order (March 1992)  
Page 2 of 3

1. Dan Eugene Mealor is prohibited from further participation, in any manner, in the conduct of the affairs of Fulton Federal Savings Bank, Atlanta, Georgia ("Fulton Federal") or its successor(s).

2. Without the prior written approval of the Regional Director for the Southeast Region and, if appropriate, any other Federal financial institutions regulatory agency, Dan Eugene Mealor 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, 12 U.S.C. § 1818(e)(7)(A). Pursuant to Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6), conduct prohibited by this Order includes, inter alia, the solicitation, transfer or 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), and shall become effective on the date it is issued.

