

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

IN THE MATTER OF)	
)	
Lynda Darland Krisman,)	
Former Officer of)	RESOLUTION NO. <u>DAL-92-32</u>
TexasBanc Savings, F.S.B.)	
Conroe, Texas)	DATED: <u>March 20, 1992</u>
)	

STIPULATION AND CONSENT TO THE ENTRY
OF A MODIFICATION OF A CEASE AND DESIST ORDER

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office, Dallas, Texas, OTS, and Lynda Darland Krisman, ("Krisman"), former Officer of TexasBanc Savings, F.S.B., Conroe, Texas ("TexasBanc"), stipulate and agree as follows:

1. CONSIDERATION

The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Krisman, pursuant to Section 8(b) 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 ("FIRREA") 12 U.S.C. § 1818(b) (1988 & Supp. I 1989). Krisman 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 by the OTS from initiating such administrative cease-and-desist litigation against Krisman, with

respect to the matters covered in the accompanying Modification to Order to Cease and Desist ("Order").

2. JURISDICTION

- (a) TexasBanc, at all times relevant to the allegations set forth herein, was a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act, as amended by FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(c).
- (b) Krisman was employed at TexasBanc from May 7, 1985 to March 14, 1989. On June 1, 1988, Krisman was appointed Operation's Lobby Officer at TexasBanc.
- (c) Krisman was at all times relevant to the allegations set forth herein, an officer of TexasBanc and as such was an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).
 - (i) On August 22, 1990, an Order to Cease and Desist was issued by the OTS against Krisman, directing the payment of restitution to TexasBanc in the amount of \$200 per month until the full amount of restitution, \$7,563.41, is paid.

- (ii) By letter to OTS Caseload Manager Richard Mickle, which was received on February 20, 1992, Krisman indicated that her husband has been unemployed for several months. Krisman requested a temporary reduction in her restitution payments from \$200 per month as directed by the August 22, 1990 Order to Cease and Desist, to \$100 per month in light of her financial circumstances.
 - (iii) During a telephone discussion on February 20, 1992, Krisman indicated to Caseload Manager E. Evan Kato and Senior Attorney Valerie P. Lane that she is requesting the temporary reduction in her restitution payments beginning on March 20, 1992 and ending September 20, 1992.
 - (iv) As of February 28, 1992, the restitution amount owed by Krisman to TexasBanc is \$5,863.41.
- (d) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association or its institution-affiliated parties. Therefore, Krisman is subject to the

authority of the OTS to initiate and maintain a cease and desist proceeding against her pursuant to Section 8(b) of the FDIA, 12 U.S.C. 1818(b) (1988 & Supp. I 1989).

3. CONSENT

(a) Krisman consents to the issuance by the OTS of the Order. Krisman further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

(b) Krisman acknowledges that the debt owed pursuant to the Order is not dischargeable under the Bankruptcy Code in accordance with 11 U.S.C. § 523(a)(11) and (12), as amended by Section 2522 of the Comprehensive Thrift and Bank Fraud Protection and Taxpayer Recovery Act of 1990, Pub. L. No. 101-647, November 29, 1990.

4. FINALITY

The Order is issued under Section 8(b) of the FDIA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989). Upon its issuance by the Regional Director for the Midwest Regional Office, Dallas, Texas, OTS, 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) (1988 & Supp. I 1989).

5. WAIVERS

(a) Krisman waives her right to a notice of charges and the administrative hearing provided by Section 8(b)

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Lynda Darland Krisman,)
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TexasBanc Savings, F.S.B.)
Conroe, Texas)
_____)

Resolution No.: DAL-92-32

Dated: March 20, 1992

MODIFICATION TO
ORDER TO CEASE AND DESIST

WHEREAS, Lynda Darland Krisman ("Krisman") was ordered, by the Office of Thrift Supervision ("OTS") to make restitution to TexasBanc Federal, F.S.B., Conroe, Texas, the successor to TexasBanc Savings, F.S.B. ("TexasBanc"), Conroe, Texas, in the amount of \$7,563.41 pursuant to Order to Cease and Desist dated August 22, 1990. This sum represented the amount of financial loss incurred by TexasBanc in connection with two fraudulent loans that Krisman knowingly created at TexasBanc in September and October of 1988, while serving as an officer at TexasBanc and which resulted in her personal gain and unjust enrichment;

WHEREAS, Krisman was ordered, on August 22, 1990, to make monthly payments to TexasBanc Federal, F.S.B., in the amount of \$200 until restitution was made in full;

WHEREAS, Krisman, by letter received on February 20, 1992, addressed to Caseload Manager Richard Mickle, has requested a reduction in her monthly restitution payments from \$200 per month to \$100 per month, based on the assertion that her husband is presently unemployed;

WHEREAS, Krisman, during a telephone discussion on February 20, 1992, indicated to Caseload Manager E. Evan Kato and Senior Attorney Valerie P. Lane that she is unable to pay restitution of \$200 per month due to her financial circumstances and therefore, she has requested a temporary reduction in her restitution payments for a period of six months;

WHEREAS, the OTS has considered Krisman's request and has agreed to reduce Krisman's restitution payments temporarily from \$200 per month to \$100 per month from March 20, 1992 to September 20, 1992;

WHEREAS, Lynda Darland Krisman ("Krisman") has executed a Stipulation and Consent to the Entry of a Modification of a Cease and Desist Order, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the OTS, acting through its Regional Director for the Midwest Regional Office; and

WHEREAS, Krisman, in the Stipulation, has consented and agreed to the issuance of this Modification to Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989), as amended by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183.

NOW THEREFORE, IT IS ORDERED that:

1. The Order to Cease and Desist dated August 22, 1990 is hereby modified such that Krisman shall make restitution to TexasBanc Federal, F.S.B., Conroe, Texas, the successor to TexasBanc Savings, F.S.B., ("TexasBanc"), Conroe, Texas, in the amount of \$5,863.41. This amount represents the total amount of restitution ordered by the OTS on August 22, 1990, less restitution payments made by Krisman, to date, of \$1,700. TexasBanc incurred such financial loss in the amount of \$7,563.41, in connection with two fraudulent loans that Krisman knowingly created at TexasBanc in September and October 1988, while serving as an officer at TexasBanc and which resulted in her personal gain and unjust enrichment.

2. Commencing March 20, 1992, Krisman shall comply with Paragraph 1 by making a payment on the 20th day of each month, in the amount of \$100 until September 20, 1992, to TexasBanc Federal, F.S.B., Conroe, Texas, the successor to TexasBanc Savings, F.S.B. or such other entity as the Resolution Trust Corporation ("RTC") or its successor shall so designate.
3. Commencing October 20, 1992, and on the 20th day of each month thereafter, Krisman shall comply with the Order to Cease and Desist dated August 22, 1990, by making a restitution payment in the amount of \$200 each month to TexasBanc Federal, F.S.B., Conroe, Texas, or such other entity as the RTC or its successor shall so designate.
4. Krisman shall deliver all such monthly payments to the following address unless otherwise instructed by the RTC or its successor:

TexasBanc Federal, F.S.B.
Attn.: Mr. Ken Walker
Post Office Box 1976
Conroe, Texas 77305
5. Krisman shall make such payments as directed in Paragraphs 2, 3, and 4 of this Order, until restitution is made in full.
6. This Order shall remain in effect until terminated or modified by the Regional Director.

THE OFFICE OF THRIFT SUPERVISION

/S/

By: Billy C. Wood
Regional Director
Midwest Regional Office
Dallas, Texas