



without trial, presentation of any evidence, or findings of fact pursuant to an administrative judicial hearing, has consented to the terms of the Stipulation. The OTS has determined that it is appropriate, and in the best interest of the public to execute the Stipulation and the attached Order of Prohibition ("Order"). This Stipulation and Order are not intended to, nor shall they be construed to have the effect of, limiting the right of any governmental or administrative agency to initiate or pursue any other action, civil or otherwise, against Baetens.

2. Jurisdiction. The OTS is of the opinion that:

(a) First Federal Savings Bank and Trust, Pontiac, Michigan (the "Institution"), at all times relevant to the allegations set forth herein, was a "savings association" within the meaning of 12 U.S.C. §§ 1813(b) and 1462(4). Accordingly, it was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Until August 9, 1989, the accounts of the Institution were insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") pursuant to Section 403(b) of the National Housing Act of 1934 ("NHA"), 12 U.S.C. § 1726(b), by reason of which it was an "insured institution" within the meaning of the NHA.

(c) As of August 9, 1989, pursuant to the provisions of FIRREA, the insurance of the accounts of the Institution was transferred to the Federal Deposit Insurance Corporation.

(d) Until August 9, 1989, the Federal Home Loan Bank Board ("FHLBB"), as operating head of the FSLIC, was the regulatory agency with jurisdiction over the Institution and persons participating in the conduct of its affairs, including Baetens, pursuant to Sections 403 and 407 of the NHA, 12 U.S.C. §§ 1726 and 1730.

(e) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the OTS succeeded to the interests of the FHLBB with respect to the supervision and regulation of all savings associations, and thus became the "appropriate Federal banking agency" with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof.

(f) The Director of the OTS has the authority to bring administrative prohibition proceedings against persons participating in the conduct of the affairs of the Institution and institution-affiliated parties pursuant to 12 U.S.C. §§ 1464(d)(1)(A) and 1818(e).

(g) Baetens was a vice president in the commercial lending department of the Institution at all times relevant to this Stipulation. Baetens was the supervisor in charge of a \$600,000

(six hundred thousand dollar) construction loan approved by the loan committee at the Institution for the construction of a shopping mall. The loan committee directed and Baetens knew that partial disbursements of loan proceeds were to be made as construction of the mall progressed. On or about August 9, 1987, the borrower who received the construction loan asked Baetens to authorize a \$191,000 disbursement of loan proceeds to him for purposes other than the shopping mall. On or about August 9, 1987, Baetens authorized and arranged for \$191,000, to be transferred from the proceeds of the construction loan into the borrower's checking account at the Institution, then and there well knowing that the disbursement would not be used for purposes approved by the loan committee; all in violation of Title 18, United States Code, Section 656.

3. Consent. Without admitting or denying the need or basis therefor, Baetens consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"), a copy of which is attached hereto and incorporated as Exhibit A. He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of 12 U.S.C. § 1818(e) and 12 U.S.C. § 1730(g).

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



UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of: )  
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MARK BAETENS )  
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 )  
First Federal Savings Bank )  
and Trust )  
Pontiac, Michigan )  
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Re: Resolution No. CHI-92-14

Dated: April 16, 1992

ORDER OF PROHIBITION

WHEREAS, Mark Baetens ("Baetens") has executed a Stipulation and Consent to Issuance of Order of Prohibition ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Central Regional Office; and

WHEREAS, without admitting or denying that the grounds exist therefor, Baetens has consented and agreed in the Stipulation to the issuance of this Order of Prohibition ("Order"), pursuant to 12 U.S.C. § 1818(e);

NOW THEREFORE, IT IS ORDERED THAT:

1. Baetens is prohibited from further participation, in any manner, in the conduct of the affairs of First Federal Savings Bank and Trust, Pontiac, Michigan and its service corporations, subsidiaries, and successors.

2. Without the prior written approval of the Regional Director for the Central Regional Office of the OTS and, if appropriate, another Federal financial institutions regulatory agency, Baetens may not act as a director for, 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 12 U.S.C. § 1818(e)(7) (A), hereinafter referred to as a "Covered Institution." Pursuant to 12 U.S.C. § 1818(e)(6), 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. All technical words or terms used in this Order, for which meanings are not specified or otherwise provided for by the provisions of this Order, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, FDIA, or the Home Owners' Loan Act ("HOLA"), or as such definition is amended after the execution of this Order, and any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, FDIA, or HOLA, shall have meanings that accord with their best custom and usage in the savings and loan industry.

4. Nothing in this Order, however, prohibits Baetens from the following activities, even though such activities may involve or relate to a Covered Institution:

(a) being a customer, as a depositor or borrower, of a Covered Institution; or

(b) owning stock in a Covered Institution;

Provided however, that activities outlined in paragraphs 4(a)-(b) above may not be performed in a manner that would make Baetens an "institution-affiliated party" as that term is defined at 12 U.S.C. § 1813(u).

5. From the effective date of this Order, Baetens shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

6. This Order shall become effective on the date it is issued.

7. This Order shall remain in effect until modified or terminated by the OTS.

OFFICE OF THRIFT SUPERVISION

/S/

By:

Stuart M. Braiman  
Regional Director  
Central Regional Office

Date:

4/16/92