

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	
L. HUGH KEMP,)	Resolution No.: ATL-92-49
Director of)	Dated: May 12, 1992
Fidelity Federal Savings Bank)	
Dalton, Georgia)	
_____)	

**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 L. Hugh Kemp, ("Kemp") Director of Fidelity Federal Savings Bank, Dalton, Georgia, OTS No. 7112 ("Fidelity or "Institution"), stipulate and agree as follows:

1. Consideration

Fidelity and its directors have violated the notice provisions of 12 C.F.R. Sc 563.134 on five consecutive occasions. On one occasion, Fidelity paid dividends in excess of that permitted by the regulation.

Based upon these violations, the OTS is of the opinion that grounds exist to initiate an administrative civil money penalty assessment proceeding against Kemp pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. Sc 1818(i)(2) (1988 & Supp. I 1989) and pursuant to Section 18(j)(4) of the FDIA, 12 U.S.C. Sc 1828(j)(4). The grounds include repeated violations of the notice provisions of 12 C.F.R. Sc 563.134, and one dividend payment that exceeded the limits of the regulation.

Kemp 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, Kemp 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. Kemp acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and Kemp'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 Kemp by the OTS or another government entity.

By signing this document Kemp 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 government entity, not the OTS. Further, this Stipulation and Consent, the Order and the payment by the Respondent of any monies or providing any other financial relief as contemplated by the Order, does not compromise, settle, dismiss, resolve, or in any way affect any civil actions, charges against, or liability of the Respondent that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation or any other governmental entity other than the OTS.

2. Jurisdiction

(a) Fidelity is a "savings association" within the meaning of Section 3(b)(1) of the FDIA, 12 U.S.C. Sc 1813(b)(1), and Section 2(4) of the Home Owners' Loan Act of 1933 ("HOLA"), 12 U.S.C. Sc 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. Sc 1813(c)(2).

(b) Kemp 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. Sc 1813(u)(1).

(c) Pursuant to Section 3(q)(4) of the FDIA, 12 U.S.C. Sc 1813(q)(4), the Director of the OTS is the "appropriate Federal banking agency" in the case of any savings association. Therefore, Kemp 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. Sc 1818(i) and Section 18(j) of the FDIA, 12 U.S.C. Sc 1828(j).

3. Consent

Kemp 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.

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ORDER OF CIVIL MONEY PENALTY ASSESSMENT

WHEREAS, L. Hugh Kemp, Director of Fidelity Federal Savings Bank, Dalton, Georgia, OTS Docket No. 7112, has executed a Stipulation and Consent to the Issuance of an Order of Civil Money Penalty Assessment ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS") acting through the Regional Director for the Southeast Region; and,

WHEREAS, Mr. Kemp, in the Stipulation, has consented to the issuance of this Order of Civil Money Penalty Assessment, pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. Sc 1818(i)(2) (1988 and Supp. I 1989), and Section 18(j)(4) of the FDIA, 12 U.S.C. Sc 1828(j)(4).

NOW THEREFORE, IT IS ORDERED that Mr. Kemp submit to the OTS a check for the sum of \$2,500 made payable to the Treasurer of the United States, within ten (10) business days of the effective date of this Order.

OFFICE OF THRIFT SUPERVISION

/S/

By:

John E. Ryan
Regional Director
Southeast Region