

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

JAMES L. BOWMAN,)
Shareholder of)

Virginia First Savings Bank, FSB)
Petersburg, Virginia)

Resolution No.: ATL-92-57

Dated: June 9, 1992

STIPULATION AND CONSENT TO THE ENTRY OF A
CEASE AND DESIST ORDER AND ORDER OF
ASSESSMENT OF CIVIL MONEY PENALTIES

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Southeast Region ("Regional Director") and James L. Bowman, shareholder of Virginia First Savings Bank, F.S.B., Petersburg, Virginia, OTS Docket Number 5743 ("Virginia First" or "Institution"), and a former shareholder of Shenandoah Federal Savings Bank, Martinsburg, West Virginia, OTS Docket Number 7318 ("Shenandoah"), stipulate and agree as follows:

1. Consideration. The OTS, based upon information derived from the exercise of its supervisory and regulatory powers, is of the opinion that grounds exist to initiate (1) an administrative cease and desist proceeding against James L. Bowman, pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b) (1988 & Supp. II 1990), and (2) an administrative civil money penalty assessment proceeding against Mr. Bowman, pursuant to Sections 8(i)(2) and 18(j)(4) of the FDIA, 12 U.S.C. § 1818(i)(2) and § 1828(j)(4). The grounds include the purchase of shares of Virginia First and Shenandoah by James L. Bowman personally and by corporations and partnerships in which Mr. Bowman has an interest, as follows:

(a) The purchase of shares of Virginia First stock, totaling in excess of ten (10) percent, by James L. Bowman and

another individual, as well as corporations or partnerships in which they have an interest, and the purchase of shares of Shenandoah stock, totaling in excess of ten (10) percent, by James L. Bowman individually, without the prior approval of the OTS, in violation of the Change in Bank Control Act, 12 U.S.C. § 1817(j) and the Savings and Loan Holding Company Act, 12 U.S.C. § 1467a, and without timely or accurately reporting the purchases to the OTS and to the Institution in violation of Sections 13(d)(1) and 16(a) of the Securities Exchange Act of 1934 ("1934 Act").

(b) James L. Bowman, and/or partnerships or corporations in which he has an interest, failed to file an initial report on Form 3 with the OTS within 10 days of his acquisition of ten (10) percent or more of any class of Virginia First and Shenandoah equity securities, and, further, failed to file additional reports on Form 4 to disclose subsequent transactions, in violation of Section 16(a) of the 1934 Act and 12 C.F.R. § 563d.1.

(c) James L. Bowman, and/or partnerships or corporations in which he has an interest, failed to file an initial report on Schedule 13D with the OTS, the Institution, and Shenandoah, within 10 days of his acquisition of five (5) percent or more of any class of Virginia First and Shenandoah equity securities, and, further, failed to file amendments on Schedule 13D to disclose subsequent transactions, in violation of Section 13(d)(1) of the 1934 Act and 12 C.F.R. § 563d.1.

James L. Bowman desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings. Without admitting or denying that such grounds exist, Mr. Bowman hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease and desist proceeding or administrative civil money penalty assessment litigation against him with respect to, and for so long as he is in compliance with, the provisions covered in the accompanying Order to Cease and Desist and Order of Assessment of Civil Money Penalties ("Order").

2. Jurisdiction

(a) Virginia First is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(4). It is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c) and files reports with the OTS pursuant to Section 13 of the 1934 Act.

(b) James L. Bowman, as a majority shareholder of Virginia First, is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

James L. Bowman, Stip/C&D & CMPs (6/92)
Virginia FSB, Petersburg, VA (5743)
Page 4 of 4

/S/

JAMES L. BOWMAN

6/5/92

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

JAMES L. BOWMAN,)
Shareholder of)

Virginia First Savings Bank, FSB)
Petersburg, Virginia)

Resolution No.: ATL-92-57

Dated: June 9, 1992

ORDER TO CEASE AND DESIST AND ORDER OF
ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, James L. Bowman, shareholder of Virginia First Savings Bank, F.S.B., Petersburg, Virginia, OTS Docket Number 5743 ("Institution"), and former shareholder of Shenandoah Federal Savings Bank, Martinsburg, West Virginia, OTS Docket Number 7318, has executed a Stipulation and Consent to the Entry of a Cease and Desist Order and Order of Assessment of Civil Money Penalties ("Stipulation"), which Stipulation is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Southeast Region ("Regional Director"); and

WHEREAS, James L. Bowman, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist and Order of Assessment of Civil Money Penalties ("Order"), pursuant to Sections 8(b), 8(i)(2), and 18(j)(4) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b), § 1818(i)(2), and § 1828(j)(4) (1988 & Supp. II 1990).

NOW THEREFORE, IT IS ORDERED that James L. Bowman, and corporations or partnerships owned or controlled by him, shall cease and desist from any violation of, or the aiding and abetting of any violation of:

1. 15 U.S.C. § 78m [Periodical and Other Reports],
2. 15 U.S.C. § 78p [Securities Ownership Reports],
3. 12 U.S.C. § 1467a [S&L Holding Companies],
4. 12 U.S.C. § 1817(j) [Change in Bank Control Act],
5. 12 C.F.R. Part 574 [Acquisition of Control of S&Ls],
6. 17 C.F.R. § 240.13(d) [Beneficial Ownership Reports], or
7. 17 C.F.R. § 240.16(a) [Securities Ownership Reports].

IT IS FURTHER ORDERED THAT:

8. James L. Bowman, shall, within 30 days after the effective date of this Order, file all reports required by Section 16(a) of the Securities Exchange Act of 1934, 15 U.S.C. § 78p, and any regulations promulgated thereunder by the Securities and Exchange Commission ("SEC") or the OTS, on such forms and with such entities (the OTS, SEC or other) as may be required by said Act or regulations. All future reports that may be required by Section 16(a) of the Securities Exchange Act of 1934 or the other above-identified regulations shall be accurately and timely filed by Mr. Bowman.

9. Within 60 days after the effective date of this Order, James L. Bowman, and Fred L. Glaize, III, and any corporate or partnership entities that own shares of the Institution's stock and that are owned or controlled by either Mr. Glaize or Mr. Bowman, shall transfer the shares of the Institution's stock, in excess of 9.9 percent ("Excess Shares") in the aggregate, that they own or control, directly or indirectly, to a trust properly endorsed for transfer or accompanied by fully endorsed stock powers. The trust terms and the trustee shall be approved in advance by the Regional Director. Such approval shall be made in the sole discretion of the Regional Director. During the period the trustee has possession of the Excess Shares, neither James L. Bowman, nor Fred L. Glaize, III, nor any corporate or partnership entities that are owned or controlled by them, shall exercise any control, directly or indirectly, over the Excess Shares and shall not exercise any control, directly or indirectly, over said trust or trustee, except that Mr. Glaize or Mr. Bowman may direct the trustee to sell all or a portion of the Excess Shares.

10. The trustee shall vote the Excess Shares on a pro-rata basis in accordance with the votes of the Institution's other common stockholders. To effect this requirement, the trustee shall provide written instructions to the Institution's Secretary that the Excess Shares shall be voted on this basis and shall furnish a copy of such instructions to the Regional Director. James L. Bowman, shall promptly take whatever action may be

requested by the trustee to enable the trustee to take such actions.

11. The trustee shall not exercise or attempt to exercise, directly or indirectly, control or a controlling influence over the management or policies of the Institution. While the trustee has possession of the Excess Shares, the trustee shall not directly or indirectly:

a. Seek or accept any representation on the board of directors of the Institution;

b. Have or seek to have any representative serve on an executive or similar committee of the board of directors of the Institution;

c. Engage in any transactions with the Institution;

d. Influence or attempt to influence in any respect the loan and credit decisions or policies of the Institution;

e. Influence or attempt to influence the dividend policies and practices of the Institution or any decision or policies of the Institution as to the offering or exchange of any shares of stock;

f. Have or seek to have any representative serve as an officer, agent, or employee of the Institution;

g. Propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the management or board of directors of the Institution;

h. Solicit proxies or participate in any solicitation of proxies with respect to any matter presented to the stockholders of the Institution; or

i. Seek to amend, or otherwise take action to change, the bylaws, articles of incorporation, or charter of the Institution.

12. For so long as any Excess Shares remain with the trustee, neither James L. Bowman, nor any corporate or partnership entity owned or controlled by him shall engage in any of the prohibited activities listed above at Paragraph 9(a) through (i).

13. Within one year (365 days) after the effective date of this Order, James L. Bowman, and any corporate or partnership entities that own shares of the Institution's stock and that are owned or controlled by either Mr. Glaize or Mr. Bowman, shall either (a) arrange for and consummate the sale and transfer of a

sufficient number of shares of the Institution's stock owned or controlled by them, directly or indirectly, to bring the aggregate total of their stock ownership and control of the Institution to a level at or below 9.9 percent of the total outstanding shares of stock of the Institution; or (b) file with the OTS such Notice of Change in Control or other appropriate application or notice, as required by 12 C.F.R. Part 574, and receive all necessary OTS approvals to permit them to own or control total aggregate shares of the Institution in excess of 9.9 percent of the total outstanding shares of stock of the Institution.

14. If for any reason, the stock ownership of James L. Bowman, Fred L. Glaize, III, and any corporate or partnership entities owned or controlled by them, or any other person or entity acting in concert with Mr. Glaize or Mr. Bowman, shall, in the aggregate, fall below ten (10) percent of the outstanding shares of the Institution, the trust may be dissolved, the voting instructions to the Secretary of the Institution may be rescinded and the Excess Shares still held by the trust returned to Mr. Glaize, Mr. Bowman, or any corporate or partnership entities owned or controlled by them, as appropriate.

15. Within 30 days after the effective date of this Order, James L. Bowman, shall submit to the OTS a check for the sum of \$1,000, made payable to the Treasurer of the United States.

All technical words or terms used in this Order for which meanings are not specified or otherwise provided 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. Any such technical words or terms used in this Order and undefined in said Code of Federal Regulations shall have meanings that accord with the best custom and usage in the savings and loan industry. For purposes of this Order, references to regulations, bulletins, memoranda and publications shall include any successor regulations, bulletins, memoranda, and publications. Any time limitations imposed herein shall begin to run from the effective date hereof. Such time limitations may be extended by the Regional Director or his/her designee for good cause upon written application. The terms and provisions of this Order and the Stipulation shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. It is understood that the execution of this Order and Stipulation shall not be construed as an approval of any application or notices that are contemplated by James L. Bowman. In the event any provision of this Order or Stipulation shall be declared invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Order shall remain in effect until

