

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of )  
)  
Louis Valentine, Former )  
Director of )  
First City Federal Bank For )  
Savings )  
Lucedale, Mississippi )

Resolution No.: DAL-92-51

Date: June 30, 1992

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

The Office of Thrift Supervision ("OTS"), by and through its Interim Regional Director for the Midwest Regional Office, OTS ("Regional Director"), and Louis Valentine ("Valentine"), a former director and officer of First City Federal Bank For Savings ("First City"), Lucedale, Mississippi 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 Valentine, 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). Valentine desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and 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 Valentine with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. JURISDICTION.

- (a) First City, at all times relevant to the allegations set forth herein, was a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b) (Supp. I 1989) and Section 2(4) of the Home Owners' Loan Act of 1933, 12 U.S.C. § 1462(4) (Supp. I 1989). 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) (Supp. I 1989).
- (b) The Director of the OTS has the authority to bring an administrative cease and desist order directing restitution proceedings against a savings association and/or institution-affiliated party pursuant to Section 5(d)(1)(A) of the HOLA, 12 U.S.C. § 1464(d)(1)(A) (Supp. I 1989), and Section 8(b) of the FDIA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989).
- (c) Valentine was a director at First City from 1964 until September 7, 1990.
- (d) Valentine was, at all times relevant to the allegations set forth herein, a director of First City and as such was an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(u) (Supp. I 1989).
- (e) As an institution-affiliated party, Valentine is subject to the OTS's authority to maintain cease and desist proceedings.

3. CONSENT.

- (a) Valentine consents to the issuance by the OTS of the Order. He further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.
- (b) Valentine 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, as amended by FIRREA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989). Upon its issuance by the Interim Regional Director for the Dallas Regional Office of the OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(1) of the FDIA, 12 U.S.C. § 1818(1) (1988 & Supp. I 1989).

5. WAIVERS.

(a) Valentine waives his right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989), and further waives any 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) (1988 & Supp. I 1989), or otherwise to challenge the validity of the Order.

(b) Valentine acknowledges and agrees that this Stipulation and Consent, the Order and the payment by Valentine 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 Valentine 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 OTS.



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**ORDER TO CEASE AND DESIST**

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

WHEREAS, Valentine, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act, ("FDIA"), 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 ("FIRREA").

NOW THEREFORE, IT IS ORDERED that:

1. Valentine shall make restitution to First City Federal Bank for Savings, Lucedale, Mississippi ("First City") in the amount of Five Thousand, Five Hundred Thirty-five Dollars (\$5,535). This sum represents one fourth of the amount of the \$22,140 severance payment that you and three other directors of First City approved for former president Louis Dungan in breach of your fiduciary duty to act in the best interest of First City.

2. Valentine shall comply with Paragraph 1 by making a payment of Five Hundred Thirty-five Dollars (\$535.00) by July 1, 1992, and thereafter, monthly installments of One Hundred Dollars (\$100.00) by the 10th day of each calendar month until the entire amount is paid. If Valentine fails to make a payment when due, and fails to cure such deficiency by the 30th day of the month when such payment was due, then the entire outstanding balance shall become immediately due and payable.
3. Valentine shall make payment by tendering a certified check (or money order) made payable to the order of First City Federal Bank for Savings, Lucedale, Mississippi, and mailed to the Regional Counsel, c/o Assistant Regional Counsel Guadalupe Gonzalez, OTS Midwest Regional Office, in Dallas, Texas, Post Office Box 619027, Dallas/Ft. Worth, Texas 75261-9027.
4. Until Valentine shall have completely satisfied his obligation to pay the amount provided under this Order, Valentine shall submit to the OTS's Regional Deputy Director (or his designee or successor the following:
  - (1) On an annual basis, a detailed statement of financial condition, as of the last day of the fiscal year that sets forth the value (both historical cost and estimated market value) of all assets, liabilities, and net worth in which Valentine and/or his spouse has an interest.

