UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of JOHN FRANK MCDONALD, SR., Executive Vice President and a Director of Fidelity Federal Savings Bank Dalton, Georgia	)	Resolution No.: ATL-92-70 Dated: July 27, 1992

**STIPULATION AND CONSENT TO
ENTRY OF A CEASE AND DESIST ORDER
AND TO THE ENTRY OF AN
ORDER OF ASSESSMENT OF CIVIL MONEY PENALTY**

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Southeast Regional Office, and John Frank McDonald, Sr. ("McDonald"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate an administrative cease and desist proceeding against McDonald pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. § 1818(b) (West 1989 & Supp. 1992) and an administrative civil money penalty assessment proceeding against McDonald pursuant to Section 8(i)(2) of the FDIA, 12 U.S.C.A. § 1818(i)(2). The facts the OTS alleges in support of its opinion include the following:

(a) Following the conversion of Fidelity Federal Savings Bank, Dalton, Georgia ("Fidelity") from mutual to stock form in 1983, and after the initial stock offering, McDonald, on or about December 21, 1984, March 20, 1985, March 27, 1983, October 21, 1985 and April 3, 1986 purchased, on each occasion, less than 1% of the outstanding stock of Fidelity, other than through a broker or dealer registered with the Securities and Exchange Commission in violation of Fidelity's plan of conversion.

(b) From April of 1986 until at least May of 1991, McDonald, acting in concert with another officer of Fidelity acquired and held more than 10% of the common stock of Fidelity without filing a notice of the proposed acquisition with the OTS and without receiving the appropriate indication from the OTS that it did not intend to disapprove the proposed acquisition, in violation of 12 C.F.R. § 574.3(b).

(c) In March of 1990, McDonald cooperated and agreed with another officer at Fidelity to receive a bonus payment from Fidelity in the amount of $228,000, when it was intended at all times that McDonald would immediately pay the other officer at least $118,000 of the amount paid to McDonald which constituted an unsafe and unsound practice and a breach of McDonald's fiduciary duty.

(d) On October 8, 1991, the board of directors of Fidelity by its Chairman, James Gowin, directed that any overdrafts exceeding $1,000 could not be paid. During the period October 1991 to May 1992 McDonald approved at least 48 overdrafts on an account at Fidelity, in excess of $1,000 in violation of the above-cited policy of the board of directors. Further, most of those overdrafts were in excess of $25,000 which exceeded his personal unsecured lending authority as an officer of Fidelity, which actions constituted an unsafe and unsound practice and a breach of his fiduciary duty to Fidelity.

McDonald desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation. Without admitting or denying the allegations, conclusions or terms herein, McDonald hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative Cease and Desist and Civil Money Penalty Assessment litigation. McDonald, without trial, presentation of any evidence, or findings of fact pursuant to an administrative judicial hearing, has consented to the terms of this Stipulation for the sole purpose of resolving the issues in this proceeding without significant legal cost and expense. The OTS has determined that it is appropriate, and in the best interest of the public to execute the Stipulation and the attached Order to Cease and Desist and Order of Assessment of Civil Money Penalty ("Orders"). The Stipulation and the attached Orders are issued solely to settle this proceeding, and are not the result of factual findings. The Stipulation, the Orders and the payment by the Respondent of any monies or providing any other financial relief as contemplated by the Orders, 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. Execution of this Stipulation and the attached Orders will resolve all allegations pending against McDonald, about which the OTS has knowledge, arising out of the 1991 and 1992 examinations of Fidelity.

1. McDonald agrees to resign from his position as an officer and director of Fidelity effective no later than the date the accompanying order is served upon him by the OTS.

2. In connection with any formal administrative proceeding against others arising out of this matter, McDonald shall cooperate fully with the OTS by truthfully disclosing all information concerning the activities of himself and others about

which the OTS inquires of him, shall attend all meetings at which his presence is requested with respect to matters about which the OTS inquires of him, and further shall truthfully testify in any administrative proceeding or other court proceeding with respect to any matters about which the OTS may request his testimony. This obligation of truthful disclosure includes an obligation upon McDonald to provide to the OTS, upon request, any document, record or other tangible evidence relating to matters about which the OTS inquires of him.

3. Jurisdiction.

(a) Fidelity, 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.A. § 1813(b) and Section 2(4) of the Home Owners' Loan Act of 1933, 12 U.S.C.A. § 1462(4). Accordingly, it was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended, 12 U.S.C.A. § 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.A. § 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 McDonald, pursuant to Sections 403 and 407 of the NHA, 12 U.S.C.A. §§ 1726 and 1730.

(e) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, as amended, 12 U.S.C.A. § 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 an administrative cease and desist proceeding against persons participating in the conduct of the affairs of the Institution and institution-affiliated parties pursuant to, 12 U.S.C.A. § 1464(d)(1)(A), and 12 U.S.C.A. § 1818(b) and to assess civil money penalties against institution-affiliated parties pursuant to 12 U.S.C.A. § 1818(i)(2).

(g) McDonald was at all times relevant hereto either a Director and/or Executive Vice President of Fidelity.

Accordingly, McDonald is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, as amended, 12 U.S.C.A. § 1813(u), and as such, is subject to the authority of the OTS to initiate and maintain cease and desist proceedings pursuant to Section 8(b) of the FDIC, as amended, 12 U.S.C.A. § 1818(b) and to initiate and maintain civil money penalty assessment proceedings pursuant to 12 U.S.C.A. § 1818(1)(2).

4. Consent. Without admitting or denying the need or basis therefor, McDonald consents to the entry by the OTS of the accompanying Orders, copies of which are attached hereto and incorporated as Exhibits A and B. He further agrees to comply with their terms upon entry and stipulates that the Orders comply with all requirements of 12 U.S.C.A. § 1818(b)(i)(2).

5. Finality. These Orders are issued under Section 8(b) and (i)(2) of the FDIA, as amended, 12 U.S.C.A. § 1818(b) and (i)(2). Upon their issuance by the Regional Director for the Southeast Regional Office, they shall be final orders, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended, 12 U.S.C.A. § 1818(i).

6. Waivers. McDonald waives the right to a notice of intention to issue a cease and desist order and a notice of assessment of civil money penalty provided by Section 8(b) and (i)(2) of the FDIA, as amended, 12 U.S.C.A. § 1818(b) and(i)(2), and the administrative hearing provided by Sections 8(b) and(i)(2)(h) of the FDIA, as amended, 12 U.S.C.A. § 1818(i)(2)(H), and further waives his right to seek judicial review of the Orders, including any such right provided by Section 8(h) of the FDIA, as amended 12 U.S.C.A. § 1818(h), or to otherwise challenge the validity of the Orders. By signing this document, McDonald acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and McDonald's consent to the entry of the Orders are for the purpose of resolving this OTS enforcement matter only, and do not resolve, affect or preclude any other civil or criminal proceeding which may be or has been brought against McDonald by the OTS or another governmental entity.

By signing this document, McDonald agrees that he will not assert the assessment or payment of this penalty as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Regional Director for the Southeast Regional Office, on behalf of the OTS, and McDonald executes this Stipulation and Consent to Entry of a Cease and Desist Order and to the Entry of a Civil Money Penalty.

OFFICE OF THRIFT SUPERVISION

BY: /S/
John E. Ryan
Regional Director
Southeast Regional Office

/S/
John Frank McDonald, Sr.

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of: JOHN FRANK MCDONALD, SR., Executive Vice President and a Director of Fidelity Federal Savings Bank Dalton, Georgia	Resolution No.:ATL-92-70 Dated:July 27, 1992

ORDER TO CEASE AND DESIST

WHEREAS, John Frank McDonald, Sr. ("McDonald") has executed a Stipulation and Consent to the Entry of a Cease and Desist Order ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the Southeast Regional Office; and

WHEREAS, McDonald, in the Stipulation has consented and agreed to the entry of this Order to Cease and Desist ("Order") 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 ("FIRREA"), (12 U.S.C. § 1818(b)) (1988 and Supp. II 1990),

NOW THEREFORE, IT IS ORDERED that:

1. McDonald shall cease and desist from any violation of, or the aiding or abetting of any violation of:

a. 12 C.F.R. §574.3(b)
b. 12 C.F.R. §563.180(b)(1)

IT IS FURTHER ORDERED THAT:

2. McDonald shall comply fully with all policies, procedures and delegations and limits of authority, applicable to his position, established by any insured depository institution at which he now or in the future is employed, holds an office and/or serves as a director.

3. McDonald shall not purchase any additional stock in Fidelity.

4. McDonald shall not sell any stock in Fidelity to Lawrence A. Swanson, Jr. Further, McDonald shall neither solicit proxies from or grant proxies to him nor agree directly or

indirectly with Lawrence A. Swanson, Jr. on how to vote Fidelity stock which either of them may own or hold the power to vote on any matter coming before Fidelity stockholders.

5. McDonald, for a period of 5 years from the date of issuance of this Order, shall not vote Fidelity stock, owned or controlled by him, for the election or termination of directors at Fidelity nor on any matter concerning officers or employees of Fidelity.

6. McDonald shall comply with all agreements contained in the Stipulation.

7. The Stipulation is made a part hereof and is incorporated herein by this reference.

8. This Order is subject to the provisions of Section 8(j) of the FDIA, as amended, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued.

OFFICE OF THRIFT SUPERVISION

BY: /S/
John E. Ryan
Regional Director
Southeast Regional Office

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In the Matter of JOHN FRANK MCDONALD, SR., Executive Vice President and a Director of Fidelity Federal Savings Bank Dalton, Georgia	)	Resolution No.: ATL-92-70 Dated: July 27, 1992

ORDER OF ASSESSMENT OF CIVIL MONEY PENALTY

WHEREAS, John Frank McDonald, Sr. ("McDonald") has executed a Stipulation and Consent to the Entry of Order of Assessment of Civil Money Penalty ("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 Regional Office of the OTS with the concurrence of the Senior Deputy Chief Counsel for the Eastern Region Enforcement and Litigation Office; and

WHEREAS, without admitting or denying that grounds exist therefore, McDonald has consented and agreed in the Stipulation to the entry of this Order of Assessment of Civil Money Penalty ("Order"), pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act ("FDIA"), as amended by Section 907(a)(2)(A) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), 12 U.S.C. 1818(i)(2) (1988 and Supp. II 1990);

NOW THEREFORE, IT IS ORDERED that:

Within five (5) days of receiving notice of the effective date of this Order, McDonald shall pay to OTS a sum of $5,000.00 by tendering a check to OTS in that amount, made payable to the Treasurer of the United States.

OFFICE OF THRIFT SUPERVISION

By: /S/
John E. Ryan
Regional Director
Southeast Regional Office