



The investigative findings in support of the OTS's opinion include the following:

(a) Cook failed to disclose to the Board of Directors of Preferred or to the Federal Home Loan Bank Board his interest in entities receiving loans from the Institution and/or in properties securing loans granted by the Institution.

(b) From his involvement in these activities, Cook received financial gain or other benefit.

(c) As a result of these actions, Cook engaged or participated in regulatory violations, including violations of 12 C.F.R. § 563.43, breaches of his fiduciary duty to Preferred and other unsafe or unsound practices. Further, these violations and unsafe and unsound practices demonstrated a willful and continuing disregard by Cook for the safety or soundness of Preferred.

Barry L. Cook desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding by the OTS and, without admitting or denying that grounds exist for such a proceeding and without agreeing or disagreeing with the OTS's investigative findings, hereby stipulates and agrees to the following provisions, terms and conditions set forth herein and in the accompanying Order of Prohibition ("Order") in consideration of the forbearance of the OTS from initiating such administrative proceeding against Barry L. Cook.

2. Jurisdiction.

(a) Preferred was a "savings association" within the meaning of Section 3(b) of the FDIA and Section 2 of the HOLA, 12 U.S.C.A. §§ 1813(b) and 1462. Accordingly, it was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C.A. § 1813(c).

(b) Barry L. Cook, as a former officer and director of Preferred, is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C.A. § 1813(u). See 12 U.S.C.A. § 1818(i)(3).

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C.A. § 1813(q), the OTS is the appropriate Federal agency to maintain enforcement proceedings against a savings association or its institution-affiliated parties. Therefore, Barry L. Cook is subject to the authority of the OTS to initiate and maintain an administrative prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C.A. § 1818(e)

3. Consent. Barry L. Cook consents to the issuance by the OTS of the accompanying Order. He further agrees to comply with the terms, provisions and conditions of the Order upon its issuance, and he stipulates that the Order complies with all applicable requirements of law.

4. Finality. The Order is issued under Section 8(e) of the FDIA, 12 U.S.C.A. § 1818(e). Upon its issuance by the Regional Director, the Order shall be a final order, effective and fully enforceable by the OTS, its successor or

an appropriate banking agency pursuant to the provisions of Section 8(i) of the FDIA, 12 U.S.C.A. § 1818(i).

5. Waivers. Barry L. Cook waives his right to a notice of intention to prohibit and the administrative hearing provided by Section 8(e) of the FDIA, 12 U.S.C.A. § 1818(e), and further waives his right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C.A. § 1818(h), or otherwise to challenge the validity of the Order.

6. Other Actions. This Stipulation and Consent to entry of An Order of Prohibition ("Stipulation"), the Order, Cook's compliance with the Order and the forbearance of the OTS to initiate and maintain administrative proceedings against Cook settle only the potential charges that the OTS could bring against Cook based upon, or arising from, Cook's conduct as an institution-affiliated party of Preferred, as that term is defined in Section 3(u) of the FDIA.

This Stipulation, the Order and Cook's compliance with the Order do not compromise, settle, dismiss, resolve or in any way affect:

(a) any charges or potential actions by the OTS based upon or arising from the conduct of the affairs of Preferred as they might pertain to any entity or person other than Cook, against whom the OTS expressly reserves its rights to initiate and maintain administrative proceedings;

(b) any civil or criminal claims, actions or charges against or liability of Cook or any other individual

or entity asserted by any governmental entity other than the  
OTS;

(c) any claims or actions that may be brought  
against Cook by any individual or entity other than the OTS.

WHEREFORE, in consideration of the foregoing and  
intending to be legally bound hereby, the Regional Director  
for the Southeast Region, on behalf of the OTS, and Barry L.  
Cook execute this Stipulation.

/S/

\_\_\_\_\_  
Barry L. Cook

Signed this \_\_ day of August, 1992

OFFICE OF THRIFT SUPERVISION

/S/

By:

\_\_\_\_\_  
John E. Ryan  
Regional Director  
Southeast Region

Signed this \_\_ day of August, 1992

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

_____ )	
In the Matter of )	
BARRY L. COOK, )	
A Former Officer and )	Resolution No. ATL-92-75
Director of )	
Preferred Savings Bank, Inc. )	Dated: September 3, 1992
_____ )	
High Point, North Carolina )	
_____ )	

ORDER OF PROHIBITION

WHEREAS, Barry L. Cook has executed a Stipulation and Consent to the Entry of A Prohibition Order ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the Southeast Region; and

WHEREAS, Barry L. Cook in the Stipulation has consented and agreed to the issuance of this Order of Prohibition ("Order"), pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. §1818(e) (West 1989 & Supp. 1992);

NOW THEREFORE, IT IS ORDERED that:

1. Without the prior written approval of the Regional Director for the Southeast Region and, if appropriate, any other Federal financial institutions regulatory agency, Barry L. Cook may not hold any office in or participate in any

