UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of: ROBERT C. LYDICK, Director and Institution-Affiliated Party of: First Savings Bank, FSB, Clovis, New Mexico	RE: Resolution No. DAL-92-65 DATED: September 15, 1992

STIPULATION AND CONSENT TO ISSUANCE OF
ORDER OF CIVIL MONEY PENALTY ASSESSMENT

The Office of Thrift Supervision ("OTS"), by and through the Regional Director for the Midwest Regional Office of the OTS ("Regional Director"), and Robert C. Lydick ("Lydick") 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 civil money penalty assessment proceeding against Lydick 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"), 103 Stat. 183, 12 U.S.C. § 1818(i)(2). Lydick desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation. Without admitting, and specifically disputing the statements, conclusions or terms herein, Lydick

hereby stipulates and agrees to the following terms of this Stipulation in consideration of: (1) the forbearance by the OTS from initiating such administrative civil money penalty assessment litigation; and (2) the agreement by the OTS to refrain from seeking additional enforcement actions against Lydick with respect to any matters discovered by the OTS as a result of its examinations commenced November, 1990, October 16, 1991, and the formal examination commenced pursuant to OTS Resolution No. DAL-91-61, hereinafter collectively referred to as "this OTS enforcement matter." Lydick, without trial, presentation of any evidence, or findings of fact pursuant to an administrative judicial hearing, consents to the terms of this Stipulation for the sole purpose of voluntarily resolving the contested and disputed 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 this Stipulation and the attached Order of Civil Money Penalty Assessment ("Order"). Lydick expressly denies any liability, wrongdoing, fault, negligence, violation of applicable law or regulations, or violation of his duties as a member of the Board of Directors of First Savings Bank, F.S.B., Clovis, New Mexico in connection with the matters resolved by this Stipulation and the attached Order. The OTS hereby agrees to such conditions. The OTS acknowledges that the intent of this Stipulation and the attached Order is to fully resolve any and all

administrative remedies and enforcement action that the OTS could assert now or in the future against Lydick arising out of this OTS enforcement matter and the facts alleged in Paragraphs 2(h), 2(i) and 2(k) of this Stipulation. Lydick acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and Lydick's consent to the entry of the attached Order are for the purposes of resolving this OTS enforcement matter only, and do not resolve, affect or preclude any other civil or criminal proceeding which may be or have been brought against Lydick by the OTS or another governmental entity.

2. Jurisdiction. The OTS is of the opinion that:

(a) The Institution, 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), and Section 2(4) of the Home Owners' Loan Act of 1933, as amended by FIRREA, 12 U.S.C. § 1813(c). Accordingly it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C. § 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. § 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 its directors and officers, including Lydick, pursuant to Section 5 of the HOLA, 12 U.S.C. § 1464.

(e) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, as amended by Section 204 of the FIRREA, 12 U.S.C. § 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 institution-affiliated parties of the Institution.

(f) The Director of the OTS has the authority to bring administrative proceedings to assess civil money penalties against institution-affiliated parties pursuant to Section 8(i)(2) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(i)(2).

(g) Lydick was at all times relevant to the allegations set forth herein, 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), and therefore is subject to the OTS's authority to maintain proceedings for the Assessment of Civil Money Penalties.

(h) As a director of the Institution, Lydick was informed at the regular meeting of the board of directors on October 15, 1990, that James F. Gibson ("Gibson"), then president and director of the Institution, had a personal financial interest in a business venture with David E. Walters ("Walters"), who was and is a substantial borrower of the Institution. Lydick was at that time informed by Gibson that Gibson's interest in the venture with Walters was for future use by Gibson as a personal residence and that Gibson was in the process of disposing of his interest to avoid any possible conflict of interest. In the opinion of the OTS, said personal financial interest with Walters constituted a conflict of interest by Gibson in violation of 12 C.F.R. § 571.7. The transaction was entered into by Gibson without any knowledge of or approval by Lydick.

(i) From and after October 15, 1990, although Lydick and the Board of Directors received assurances from Gibson that the conflict of interest was being resolved, Gibson continued to represent the Institution in negotiations with Walters relating to various loans and/or extensions of credit that the Institution had outstanding to Walters and/or his business interests. Gibson's representation included, but was not limited to, negotiation on the delinquency of a loan made on or about August 9, 1986, in the original amount of $2,944,000.00 to Postal Building Associates, in which Walters had an ownership interest and was general partner (the "Postal Building loan").

(j) The OTS is of the opinion that, as a direct result of Gibson's representation of the Institution from and after October 15, 1990, the Institution has suffered loss and may suffer additional loss on the Postal Building loan.

(k) On or about July 11, 1991, Lydick approved the modification of a delinquent loan in the amount of $42,599, which in the opinion of the OTS was a violation of Section 3(g) of the Cease and Desist Order dated April 23, 1991, issued by the Regional Director against the Institution, which required prior supervisory approval for any such modification of a loan exceeding $35,000 in amount. Prior to approving such modification, the Institution's board of directors inquired of Jimmie Shearer, then Executive Vice President and Chief Operating Officer of the Institution, about whether the loan modification would be permitted under the then-existing OTS Cease and Desist Order against the Institution. Shearer advised the board of directors, including Lydick, that the loan modification was a real estate loan modification permitted under the then-existing OTS Cease and Desist Order against the Institution. In Lydick's opinion, Jimmy Shearer's statements regarding the permissibility of the loan modification under the then existing Cease and Desist Order against the Institution were supported by the language of the documentation for the loan.

3. Consent. Lydick 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.

4. Finality. The Order is issued under Section 8(i)(2) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(i)(2). Upon its issuance by the Regional Director for the Midwest Regional Office of OTS, it shall be a final order, effective and fully enforceable by OTS under the provisions of Section 8(i)(2) of the FDIA, as amended by FIRREA, 12 U.S.C. §1818(i)(2).

5. Waivers. Lydick waives the right to a Notice of Assessment of Civil Money Penalty provided by Section 8(i)(2) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(i)(2), and the administrative hearing provided by Section 8(i)(2)(H) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(i)(2)(H), and further waives his right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(h), or to otherwise challenge the validity of the Order. By signing this document, Lydick 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, the Regional Director for the Midwest Regional Office of OTS, and Lydick execute

this Stipulation and Consent to Issuance of Order of Civil Money Penalty Assessment.

OFFICE OF THRIFT SUPERVISION

By: /S/ Frederick R. Casteel
Interim Midwest Regional Director

/S/ Robert C. Lydick

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of: ROBERT C. LYDICK, Director and Institution-Affiliated Party of: First Savings Bank, FSB, Clovis, New Mexico	RE: Resolution No. DAL-92-65 DATED: September 15, 1992

ORDER OF CIVIL MONEY PENALTY ASSESSMENT

WHEREAS, Robert C. Lydick ("Lydick") has executed a Stipulation and Consent to Issuance of Order of Civil Money Penalty Assessment, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS") acting through the Regional Director for the Midwest Regional Office of the OTS; and,

WHEREAS, Lydick has consented in the Stipulation, to the issuance of this Order of Civil Money Penalty Assessment, 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. I. 1989);

NOW THEREFORE, IT IS ORDERED that within five (5) days of the effective date of this Order, Lydick shall pay to OTS a sum of $2,500.00 by tendering a check to OTS in that amount made payable to the Treasurer of the United States.

OFFICE OF THRIFT SUPERVISION

By: /S/
Frederick R. Casteel
Midwest Regional Director