

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
)
KENT GRUSENDORF, Director)
and Chairman of the Board of)
First Savings Bank, A)
Federal Savings Bank,)
Arlington, Texas)
)

Resolution No.: DAL-92-70

Dated: October 13, 1992

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

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office of OTS, Dallas, Texas, and Kent Grusendorf ("Respondent"), Director and Chairman of the Board of First Savings Bank, A Federal Savings Bank, Arlington, Texas ("First Savings Bank"), 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 the Respondent pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.S. § 1818(b) (1984 & Supp. 1991). Respondent desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, 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 Respondent with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. JURISDICTION

- (a) First Savings Bank is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C.S. § 1813(b) (1984 & Supp. 1991), and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C.S. § 1462(4) (1978 & Supp. 1991). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C.S. § 1813(C) (1984 & Supp. 1991).
- (b) Pursuant to Section 3(q) of the FDIA, 12 U.S.C.S. § 1818(q) (1984 & Supp. 1991), the Director of the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such Respondent.
- (c) Respondent at all times relevant to the allegations set forth herein was an institution-affiliated party of First Savings Bank as defined in Section 3(u) of the FDIA, 12 U.S.C.S. § 1813(u) (1984 & Supp. 1991) in that he served as a director of First Savings Bank.

Therefore, Respondent is subject to the authority of the OTS to initiate and maintain a cease-and-desist proceeding against him pursuant to Section 8(b) of the FDIA, 12 U.S.C.S. § 1818(b) (1984 & Supp. 1991).

3. CONSENT

- (a) Respondent consents to the issuance by the OTS of the Order and further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.
- (b) Respondent acknowledges that the debt owed pursuant to the Order is not dischargeable under the Bankruptcy Code, in accordance with 11 U.S.C.S. § 523(a)(11) and (12) (1986 & Supp. 1991).

4. FINALITY

The Order is issued under Section 8(b) of the FDIA, 12 U.S.C.S. § 1818(b) (1984 & Supp. 1991). Upon its issuance by the Regional Director for the Midwest Regional Office, OTS, Dallas, Texas, it shall be a final Order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C.S. § 1818(i) (1984 & Supp. 1991).

5. WAIVERS

- (a) Respondent waives the right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, 12 U.S.C.S. § 1818(b) (1984 & Supp. 1991), 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.S. § 1818(h) (1984 & Supp. 1991), or otherwise to challenge the validity of the Order.
- (b) Respondent acknowledges and agrees that this

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ORDER TO CEASE AND DESIST

WHEREAS, Kent Grusendorf ("Grusendorf") 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 Regional Director for the Midwest Regional Office; and

WHEREAS, Grusendorf, 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.S. § 1818(b) (1984 & Supp. 1991).

NOW THEREFORE, IT IS ORDERED that:

1. Grusendorf shall make restitution to First Savings Bank, A Federal Savings Bank ("First Savings Bank"), Arlington, Texas in the amount of eight thousand, five hundred twenty-five dollars (\$8,525). This sum represents one-eighth of sixty-eight thousand, two-hundred dollars (\$68,200), which amount includes a \$50,000 bonus, with interest computed thereon, paid by First Savings Bank, to former President Rick Powell. During Grusendorf's service as a director of First Savings Bank on or

about December 27, 1988, a dividend notification H-(f) was submitted to the OTS's predecessor as the then appropriate regulatory agency for approval of payment of a \$50,000 dividend to all stockholders of record as of February 24, 1989. The dividend was subsequently paid to and/or on behalf of Rick Powell and constituted a bonus to him contrary to the representations in the dividend notification.

2. Grusendorf shall comply with Paragraph 1 by making a payment of two thousand five hundred dollars (\$2,500) by October 15, 1992, and thereafter monthly installments of five hundred dollars (\$500) by the 15th of each calendar month until the entire amount is paid in full. If Grusendorf fails to make a payment when due, and fails to cure the 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. Grusendorf shall make payment by tendering one or more certified checks (or money orders) to the Regional Counsel's Office, c/o Guadalupe Gonzalez, Assistant Regional Counsel, Office of Thrift supervision, Midwest Region, Post Office Box 619027, Dallas/Fort Worth, Texas 75261-9027. The check should be made payable to First Savings Bank, A Federal Savings Bank, Arlington, Texas.
4. Until Grusendorf shall have completely satisfied his obligation to pay the amount provided under this Order, Grusendorf shall submit to the OTS's Regional Deputy Director (or his designee or successor) the following:

On a quarterly basis, a detailed statement of financial condition, as of the last day of the fiscal

