

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of
Theodore W. Potter
A Former Officer and
Director of Newport News
Savings Bank, Newport News,
Virginia

Re: OTS Resolution
No. ATL 91-1
Dated: January 8, 1991

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its District Director for the Atlanta District, and Theodore W. Potter ("Potter"), a former vice-president and director of Newport News Savings Bank, Newport News, Virginia ("Newport News") 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 Potter 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") (to be codified at 12 U.S.C. § 1818(b)). Potter 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 Potter with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) Newport News is a savings association within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933, as amended by FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(c)). Potter is a former vice-president and director of Newport News.

(b) Pursuant to Section 3 of FDIA, as amended by FIRREA, the Director of OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against Potter. Therefore, Potter 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, as amended by FIRREA, (to be codified at 12 U.S.C. § 1818(b)).

3. Consent. Potter 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.

4. Finality. The Order is issued under Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)). Upon its issuance by the District Director, it shall be a final order, effective and fully enforceable by the OTS under

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ORDER TO CEASE AND DESIST

WHEREAS, Theodore W. Potter ("Potter"), a former vice-president and director of Newport News Savings Bank, Newport News, Virginia ("Newport News") has executed a Stipulation and Consent to Issuance of Order to Cease and Desist ("Stipulation") which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its District Director for the Atlanta District, and

WHEREAS, Potter, 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, as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (to be codified at 12 U.S.C. § 1818(b)).

NOW THEREFORE, IT IS ORDERED that Potter shall cease and desist from any violations of, or the aiding and abetting of any violation of:

1. Section 12 C.F.R. § 563.43(c)(1) of the Rules and Regulations for the Office of Thrift Supervision, 12 C.F.R. § 563.43(c)(1) (1990).

2. Section 12 C.F.R. § 571.7 of the Rules and Regulations for the Office of Thrift Supervision, 12 C.F.R. § 571.7 (1990).
IT IS FURTHER ORDERED that:

3. Restitution. Potter shall pay in full the amount of \$10,000 as restitution for amounts received from the Hogge, Jones, West, Potter venture in Nags Head. Within ninety (90) days of issuance of this Order by the office of Thrift Supervision, through its District Director for the Atlanta District, Potter shall pay \$5,000. Thereafter, he shall pay \$500.00 per month, to be paid on the 15th day of each month, until the entire amount of \$10,000 is paid in full. If Potter desires to accelerate his monthly payments or pay the loan off in full at anytime, he can do so without penalty.

4. Compliance. Potter shall take whatever steps are necessary to ensure full compliance with this Order, including but not limited to, obtaining prior written confirmation from the District Director responsible for the supervision of any Association or affiliate proposing to employ Potter, that the District Director is satisfied that senior management at the Association is aware of Potter's responsibilities under this

