

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

William M. White)

Former President, Chief)
Executive Officer and)
Director of Thatcher Bank,)
Federal Savings Bank)
Salida, Colorado)

Resolution No. KC-92-37
Dated: November 24, 1992

STIPULATION AND CONSENT TO
THE ENTRY OF A ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office, and William M. White, Jr., former president, chief executive officer and director ("White"), Thatcher Bank, Federal Savings Bank, Salida, Colorado ("Thatcher Bank" or the "Institution"), hereby 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 prohibition proceeding against White, pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institution Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"), 12 U.S.C.A. § 1818(e) (West 1989 & Supp. 1992). White desires to cooperate with the OTS and to avoid the time and expense

of such administrative litigation. Without admitting or denying the statements, conclusions or terms herein, White hereby stipulates and agrees to the following terms in consideration of the forbearance of OTS from initiating such administrative prohibition litigation against him.

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

(a) The Institution is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C.A. § 1813(b) (West 1989 & Supp. 1992) and Section 2(4) of the Home Owners' Loan Act, as amended by Section 301 of the FIRREA, 12 U.S.C.A. § 1462(4) (West Supp. 1992). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by the FIRREA, 12 U.S.C.A. § 1813(c).

(b) White, was at all times relevant hereto an officer and director of the Institution. Accordingly, he is an "institution-affiliated party" within the meaning of Section 3(u) of the Federal Deposit Insurance Act ("FDIA"), as amended by FIRREA, 12 U.S.C.A. Section 1813(u).

(c) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against a savings association or its institution-affiliated parties. Therefore, White is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, as amended by FIRREA, 12 U.S.C.A. §1818(e).

(d) During the period November 30, 1989 through May 4, 1990, White authorized Thatcher Bank's payment of approximately \$41,000 in legal and accounting fees incurred by Thatcher Financial Group, Inc. ("Thatcher Financial"), concerning a proposed private placement of securities of Thatcher Financial, the net proceeds of which were to be used to increase the capital of Thatcher Bank. Thatcher Financial owns 100 percent of the outstanding stock of Thatcher Bank.

(e) The fees described in subparagraph (d) above, were to be repaid to Thatcher Bank from the proceeds of the private placement. The proposed private placement was not completed.

(f) Thatcher Bank was under no contractual obligation to pay the fees described above.

(g) Thatcher Bank's payments of these fees on behalf of Thatcher Financial constitutes unsecured, interest-free extensions of credit to an affiliate.

(h) By approving or authorizing these unsecured, interest-free extensions of credit to Thatcher Financial, White caused Thatcher Bank to violate Sections 23A(c)(1) and 23B(a)(1) of the Federal Reserve Act, 12 U.S.C.A. §§ 371c(c)(1) and 371c-1(a)(1).

(i) White further engaged in an unsafe and unsound practice, including violation of the lending policies of the Institution, by authorizing Thatcher Bank's unsecured, interest-free extensions of credit to Thatcher Financial.

(j) As a result of the unsafe and unsound practices and the violations described above, the Institution has incurred a substantial financial loss.

NOW THEREFORE, IT IS ORDERED that:

1. White is prohibited from further participation, in any manner, in the conduct of the affairs of Thatcher Bank, its holding company(ies), or service corporation(s).

2. Without the prior written approval of the Regional Director for the Midwest Regional Office and, if appropriate, another Federal financial institutions regulatory agency, White may not hold any office in, or participate in any manner in the conduct of the affairs of any institution(s) or other entity as set forth in Section 8(e)(7)(A) of the FDIA, as amended by FIRREA, 12 U.S.C.A. § 1818(e)(7)(A). Pursuant to Section 8(e)(6) of the FDIA, as amended by FIRREA, 12 U.S.C.A. § 1818(e)(6), conduct prohibited by this Order includes, inter alia, the solicitation, the transfer or exercise of any voting rights with respect to any securities issued by any insured depository institution.

3. Notwithstanding the provisions of paragraphs one (1) and two (2) of this Order, White may, without any additional written approval from the OTS, continue to own the stock of Thatcher Financial Group, Inc. Provided, however, that White may not, without prior written approval of the OTS, exercise any voting rights with respect to such stock, or otherwise act in any manner that would make White an "institution-affiliated party" as that term is defined at Section 3(u) of the FDIA, as amended by FIRREA, 12 U.S.C.A. § 1813(u).

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

