

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
William M. White, Jr.)
)
Former President, Chief)
Executive Officer and)
Director of Thatcher Bank,)
Federal Savings Bank)
Salida, Colorado)

Resolution No. KC-92-38
Dated: November 24, 1992

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

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 cease and desist proceeding against White, 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 ("FIRREA"), 12 U.S.C.A. § 1818(b) (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 by the OTS from initiating such administrative cease and desist litigation against him. The OTS has determined that it is appropriate and in the best interest of the public to execute this Stipulation and Consent to the Entry of a Order to Cease and Desist for Restitution ("Stipulation") and the attached Order to Cease and Desist for Restitution ("Order").

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) (West 1989 & Supp. 1992).

(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) (West 1989 & Supp. 1992).

(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 cease-and-desist proceeding against him pursuant to Section 8(b) of the FDIA,

as amended by FIRREA, 12 U.S.C.A. §1818(b) (West 1989 & Supp. 1992).

(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.

3. Consent. Without admitting or denying the need or basis therefor, White 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, 12 U.S.C.A. § 1818(b). Upon its issuance, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA, 12 U.S.C.A. § 1818(i).

5. Waivers. White waives his right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C.A. § 1818(b), and further waives any 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.A. § 1818(h), or otherwise to challenge the validity of the Order.

This Stipulation, the Order and the payment by White of any moneys or providing any other financial relief as contemplated by the Order, does not compromise, settle, dismiss, resolve, or in any way affect any civil actions, charges against, or liability of White that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation or any other governmental entity other than the OTS.

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ORDER TO CEASE AND DESIST FOR RESTITUTION

WHEREAS, William M. White, Jr., former president, chief executive officer and director ("White"), Thatcher Bank, Federal Savings Bank, Salida, Colorado ("Thatcher Bank"), has executed a Stipulation and Consent to the Entry of a Order to Cease and Desist for Restitution ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director; and

WHEREAS, without admitting or denying that the grounds exist therefor, White has consented and agreed in the Stipulation to the issuance of this Order to Cease and Desist for Restitution ("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, ("FIRREA"), 12 U.S.C.A. § 1818(b) (West 1989 & Supp. 1992);

NOW THEREFORE, IT IS ORDERED that:

1. White shall make restitution to Thatcher Bank in the amount of \$51,600. This sum shall represent full repayment, together with interest, of legal and accounting expenses and costs paid by Thatcher Bank on behalf of Thatcher Financial.

2. Payment of the sum set forth in paragraph number one of this Order shall be made as follows:

- a) \$1,000 within five (5) days of the effective date of this Order; and
- b) \$3,000 on the first day of each calendar quarter, commencing on January 1, 1993, pursuant to the terms and conditions set forth in the attached Repayment Agreement (Exhibit A).

3. White shall comply with paragraphs numbered one and two of this Order by sending a cashier's check to the attention of the Senior Deputy Chief Counsel, Enforcement and Litigation - Midwest Region, in the required amount, payable to the Institution.

4. All technical words or terms used in this Order, for which meanings are not specified or otherwise provided for by the provisions of this Order, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, FDIA, or the Home Owners' Loan Act ("HOLA"), or as such definition is amended after the execution of this Order, and any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, FDIA, or HOLA, shall have meanings that accord with their best custom and usage in the

