

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
Neil Sain)
Former Director of)
Security Federal Savings and)
Loan Association)
McMinnville, Tennessee)
OTS No. 6454)

Resolution No.: CIN 92- 27
Dated: December 1, 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 Central Region, OTS, and Neil Sain, a former director of Security Federal Savings and Loan Association, McMinnville, Tennessee ("Security"), 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 Neil Sain pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b) (Supp. I 1989). Neil Sain 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 him with respect to the matters covered in the accompanying

Order to Cease and Desist ("Order"), specifically the purchase of Kemper Government Security Trust, GNMA Midget Portfolio, Series 39 securities by Security from Wiley Brothers, Inc., on September 10, 1991. Neil Sain recommended the purchase, may have voted on the purchase as a director and he and his employer, Wiley Brothers, Inc., received a commission on that purchase.

2. Jurisdiction.

(a) Security Federal Savings and Loan Association, is a "savings association" and an "insured depository institution" as defined by § 3 of the FDIA and § 2 of the Home Owners' Loan Act, 12 U.S.C. §§ 1813 and 1462 (Supp. I 1989).

(b) Neil Sain, as a former director of Security Federal Savings and Loan Association, is an "institution-affiliated party" as defined by § 3(u) of the FDIA, 12 U.S.C. § 1813(u) (Supp. I 1989).

(c) Pursuant to Section 3 of the FDIA, 12 U.S.C. § 1813(q) (Supp. I 1989), the OTS is the "appropriate Federal banking agency" to maintain enforcement proceedings against such a savings association and its institution-affiliated parties.

3. Consent. Neil Sain consents to the issuance by the OTS of the Order. He further agrees to comply with the terms of the Order upon its 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, 12 U.S.C. § 1818(b) (Supp. I 1989). Upon its issuance by the Regional Director for the Central Region, OTS, 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. 1818(i) (Supp. I 1989).

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ORDER TO CEASE AND DESIST

WHEREAS, Neil Sain has executed a Stipulation and Consent to Issuance of Order to Cease and Desist, 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 Central Region; and

WHEREAS, in the Stipulation, Neil Sain 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, 12 U.S.C. § 1818(b) (Supp. I 1989).

NOW, THEREFORE, IT IS ORDERED that Neil Sain shall pay, on or before December 29, 1992, nineteen thousand dollar (\$19,000), to Security Federal Savings and Loan Association, McMinnville, Tennessee as restitution for losses incurred and fees paid as a result of the purchase of Kemper Government Security Trust, GNMA Midget Portfolio, Series 39 securities by Security Federal Savings and Loan Association from Wiley Brothers, Inc.

IT IS FURTHER ORDERED, that Neil Sain shall refrain from the sale, or participation in the sale of securities or investments to savings associations, as defined by 12 U.S.C. §§1813(b)(1) and 1462(4)(Supp. I 1989), and shall refrain from employment and/or acting as an agent or director of any such savings associations.

THE OFFICE OF THRIFT SUPERVISION

/s/

Ronald N. Karr
Regional Director
Central Region