

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
John J. Fraiser, Jr.,)
)
Former Director)
First Guaranty Bank)
For Savings)
Hattiesburg, Mississippi)
_____)

RE: Resolution No. DAL-91-09

Dated: March 12, 1991

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office, OTS, and John J. Fraiser, Jr. ("Fraiser"), former director of First Guaranty Bank for Savings, Hattiesburg, Mississippi (the "Institution"), 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 Fraiser, 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)). Without admitting or denying the basis for such a proceeding, Fraiser, 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 Fraiser, with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) The Institution at all times relevant to the allegations set forth herein, was a "savings association" within the meaning of Section 3(b) of the FDIA (12 U.S.C. § 1813(b)) and Section 2(4) of the Home Owners' Loan Act of 1933, as amended by Section 301 of FIRREA (to be codified at 12 U.S.C. § 1462(4)). Accordingly, it was 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. § 1813(c)).

(b) Until August 9, 1989, the accounts of the Institution were insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") pursuant to Section 403(b) of the National Housing Act of 1934 ("NHA"), 12 U.S.C. § 1726(b), by reason of which it was an "insured institution" within the meaning of the NHA.

(c) As of August 9, 1989, pursuant to the provisions of FIRREA, the insurance of the accounts of the Institution was transferred to the Federal Deposit Insurance Corporation.

(d) Until August 9, 1989, the Federal Home Loan Bank Board ("FHLBB"), as operating head of the FSLIC, was the regulatory agency with jurisdiction over the Institution and its directors and officers including Fraiser, pursuant to Sections 403 and 407 of the NHA, 12 U.S.C. § 1726 and 1730.

(e) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, as amended by Section 204 of the FIRREA (to be codified at 12 U.S.C. § 1813(q)), the OTS succeeded to the interests of the FHLBB with respect to the supervision and regulation of all savings associations, and thus became the "appropriate

Federal banking agency" with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof.

(f) The Director of the OTS has the authority to bring an administrative cease and desist order proceeding against the Institution pursuant and to Section 5(d)(1)(A) of the HOLA, as amended by Section 301 of the FIRREA (to be codified at 12 U.S.C. § 1464(d)(1)(A)), and Section 8 of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. § 1818).

(g) Fraiser was a director at the Institution from 1981 to January 1990.

(h) Fraiser was at all times relevant to the allegations set forth herein, a director of the Institution and as such was an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(u)).

(i) As an institution-affiliated party, Fraiser is subject to the OTS's authority to maintain cease and desist and proceedings.

3. Consent. Without admitting or denying the need or basis therefore, Fraiser 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 Regional Director for the Midwest Regional Office of the OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions

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ORDER TO CEASE AND DESIST

WHEREAS, John J. Fraiser, Jr. ("Fraiser") 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 Midwest Regional Office; and

WHEREAS, without admitting or denying the grounds therefore, Fraiser, 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:

1. Fraiser shall cease and desist from further participation, in any manner, in the conduct of the affairs of First Guaranty Bank for Savings, Hattiesburg, Mississippi.

2. Without the prior written approval of the Regional Director for the Midwest Regional Office of the OTS and, if appropriate, another Federal financial institutions regulatory agency, Fraiser may not hold any office in, act as a director for, 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 (to be codified at 12 U.S.C. §1818(e)(7)(A), hereinafter referred to as a "covered Institution". Specifically, Fraiser may not engage in those activities described in Section 8(e)(6) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. §1818(c)(6)) without prior approval pursuant to this Order, including inter alia, the solicitation, transfer or exercise of any voting rights with respect to any securities issued by any insured depository institution.

3. Nothing in this Order, however, prohibits Fraiser from any of the following activities, even though such activities may involve or relate to a Covered Institution:

(a) performing legal services for a Covered Institution, solely as an independent contractor on an arm's length, case-by-case basis;

(b) acting as trustee in a foreclosure proceeding or deed of trust;

(c) being a customer, as a depositor or borrower, of a Covered Institution;

