

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

)
In the Matter of)
)
James A. Tatum,)
)
Former Director)
First Guaranty Bank for)
Savings,)
Hattiesburg, Mississippi)
_____)

Re: Resolution No. DAL-91-10

Dated: March 12, 1991

STIPULATION AND CONSENT TO
ISSUANCE OF ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office, and James A. Tatum ("Tatum"), former director of First Guaranty Bank for Savings, Hattiesburg, Mississippi (the "Institution"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against Tatum pursuant to Section 8(e) 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(e)). Without admitting or denying the basis for such a proceeding, Tatum 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 of OTS from initiating such administrative prohibition litigation against Tatum.

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 Tatum, 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 prohibition proceedings against Tatum pursuant 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) Tatum was a director at the Institution from 1976 to January 1990.

(h) Tatum 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, Tatum is subject to the OTS's authority to maintain prohibition proceedings.

3. Consent. Without admitting or denying the need or basis therefor, Tatum consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under Section 8(e) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)). Upon its issuance by the Regional Director for the Midwest Regional Office, 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 (to be codified at 12 U.S.C. § 1818(i)).

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ORDER OF PROHIBITION

WHEREAS, James A. Tatum ("Tatum") has executed a Stipulation and Consent to Issuance of Order of Prohibition ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the Midwest Regional Office; and

WHEREAS, Tatum, in the Stipulation without admitting or denying the grounds therefor, has consented and agreed to the issuance of this Order of Prohibition ("Order") pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, 103 Stat. 183;

NOW THEREFORE, IT IS ORDERED that:

1. Tatum is prohibited from further participation, in any manner, in the conduct of the affairs of First Guaranty Bank for Savings, Hattiesburg, Mississippi and its service corporations.

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, Tatum may not act as a director for, 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 (to be codified at 12 U.S.C. § 1818(e)(7)(A)), hereinafter referred to as a "Covered Institution." Pursuant to Section 8(e)(6) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)(6)), conduct prohibited by this Order includes, inter alia, the solicitation, the transfer or the exercise of any voting rights with respect to any securities issued by any insured depository institution.

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

(a) being a customer, as a depositor or borrower, provided that such activity may not be performed in a manner that would make Tatum an "institution-affiliated party" as that term is defined at Section 3(u) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(u)); or

(b) owning stock in a Covered Institution.

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

5. This Order is subject to the provisions of Section 8(j) of the FDIA,

