

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
)
Forrest Wood, Jr.,)
Former Director of)
)
First Guaranty)
Bank for Savings)
Hattiesburg, Mississippi)
_____)

Re: Resolution No. DAL-91-49

Dated: June 5, 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 Forrest Wood, Jr. ("Wood"), 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 Wood 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)). Wood desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation. Without admitting or denying that for such a proceeding grounds exist, Wood hereby stipulates and agrees to the following terms in consideration of the forbearance of OTS from initiating administrative prohibition litigation against Wood.

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 Wood, 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 Wood 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) Wood was a director at the Institution from 1976 to January 1990.

(h) On May 10, 1989, as Chairman of the Board of Directors of the Institution and the Executive Committee thereof, Wood voted to approve the Institution's investment in stock of Unemployment Compensation Control Systems, Inc. ("UCCS"). On or about July 17, 1989, Wood received notice from the State of Mississippi Department of Savings Associations and the Federal Home Loan Bank of Dallas by separate letters dated July 14, 1989 (Attached hereto as Exhibits A and B), to reverse the UCCS transaction. The Institution did not receive regulatory approval to proceed with the UCCS transaction, and Wood subsequently participated in negotiations for divestiture of the UCCS investment.

(i) Wood 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)).

(j) As an institution-affiliated party, Wood is subject to the OTS's authority to maintain prohibition proceedings.

3. Consent. Without admitting or denying the need or basis therefor, Wood consents to the issuance by the OTS of the accompanying Order of Prohibition

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ORDER OF PROHIBITION

WHEREAS, Forrest Wood, Jr. ("Wood") 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, in without admitting or denying the grounds therefor, Wood, has consented and agreed the Stipulation 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. Wood 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

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west Regional Office of the OTS and, if appropriate, another Federal financial institutions regulatory agency, Wood may not act as a director for, and 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)), the 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 Wood 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 Wood 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 reference.

5. This Order is subject to the provisions of Section 8(j) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(j)), and shall become effective on the date it is issued.

THE OFFICE OF THRIFT SUPERVISION

BY: _____ /s/
Billy C. Wood
Regional Director
Midwest Regional Office