

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

IN THE MATTER OF)

Lynda Darland Krisman,)
Former Officer of)
TexasBanc Savings, F.S.B.)
Conroe, Texas)

Resolution No.: DAL-91-75

Dated: June 20, 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 Region, OTS, and Lynda Darland Krisman ("Krisman"); former officer of TexasBanc Savings, F.S.B., Conroe, Texas, 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 Krisman, 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"), 12 U.S.C. § 1818(b) (1988 & Supp. I 1989). Krisman, desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and 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 Krisman, with respect to the matters covered in the accompanying Modification to Order to Cease and Desist ("Order").

2. JURISDICTION

- (a) TexasBanc, at all times relevant to the allegations set forth herein, was a "savings association" within the meaning of Section 3(b) of the FDIA and Section 2(4) of the Home Owners' Loan Act of 1933, as amended by Section 301 of FIRREA, 12 U.S.C. § 1462(4) (Supp. I 1989). Accordingly, it was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(c).
- (b) Until August 9, 1989, the accounts of TexasBanc 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 TexasBanc was transferred to the Federal Deposit Insurance Corporation.
- (d) Until August 9, 1989, the Federal Home Loan Bank Board, as operating head of the FSLIC, was the regulatory agency with jurisdiction over TexasBanc and its officials including Krisman, 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, 12 U.S.C. § 1813(q), the OTS succeeded to the interests of the FSLIC

with respect to the supervision and regulation of all savings associations, and thus became the "appropriate Federal banking agency" with jurisdiction over TexasBanc 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 directing restitution against Krisman pursuant to Section 5(d)(1)(A) of the HOLA, as amended by Section 301 of the FIRREA, 12 U.S.C. § 1464(d)(1)(A), and Section 8 of the FDIA, as amended by the FIRREA, 12 U.S.C. § 1818.
- (g) Krisman was employed at TexasBanc from May 7, 1985 to March 14, 1989. On June 1, 1988, Krisman was appointed Operations Lobby Officer at TexasBanc.
- (h) Krisman was at all times relevant to the allegations set forth herein, an officer of TexasBanc, and as such, was an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(u).
- (i) As an institution-affiliated party, Krisman is subject to the OTS's authority to maintain cease and desist and prohibition proceedings.

3. CONSENT

Krisman consents to the issuance by the OTS of the Order. She 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. § 1818(b). Upon its issuance by the Regional Director for the Midwest 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, as amended by FIRREA, 12 U.S.C. § 1818(i).

5. WAIVERS

Krisman waives her 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. § 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. § 1818(h), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Regional Director for the Midwest Region, OTS, and Lynda Darland Krisman, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

By:

/S/

Billy C. Wood
Regional Director
Midwest Region
Dallas, Texas

/S/

Lynda Darland Krisman

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

IN THE MATTER OF)
)
)

Lynda Darland Krisman,)
Former Officer of)
TexasBanc Savings, F.S.B.)
Conroe, Texas)
)

Resolution No.: DAL-91-75

Dated: June 20, 1991

MODIFICATION TO
ORDER TO CEASE AND DESIST

WHEREAS, Lynda Darland Krisman ("Krisman") was ordered, by the Office of Thrift Supervision ("OTS") to make restitution to TexasBanc Federal, F.S.B., Conroe, Texas, the successor to TexasBanc Savings, F.S.B. ("TexasBanc"), Conroe, Texas, in the amount of \$7,563.41 pursuant to Order to Cease and Desist dated August 22, 1990. This sum represented the amount of financial loss incurred by TexasBanc in connection with two fraudulent loans that Krisman knowingly created at TexasBanc in September and October of 1988, while serving as an officer at TexasBanc and which resulted in her personal gain and unjust enrichment;

WHEREAS, Krisman was ordered, on August 22, 1990, to make monthly payments to TexasBanc Federal, F.S.B., in the amount of \$200 until restitution was made in full;

WHEREAS, Krisman, by letter dated April 22, 1991, addressed to Caseload Manager Richard Mickle has requested a reduction in her monthly restitution payments from \$200 per month to \$100 per month, based on the assertion that she is presently unemployed; and

WHEREAS, the OTS has considered Krisman's request and has agreed to reduce Krisman's restitution payments temporarily from \$200 per month to \$100 per month until September 20, 1991;

WHEREAS, Lynda Darland Krisman ("Krisman") 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 OTS, acting through its Regional Director for the Midwest Regional Office; and

WHEREAS, Krisman, 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. The Order dated August 22, 1990 is hereby modified such that Krisman shall make restitution to TexasBanc Federal, F.S.B., Conroe, Texas, the successor to TexasBanc Savings, F.S.B., ("TexasBanc"), Conroe, Texas, in the amount of \$6,463.41. This amount represents the total amount of restitution ordered by the OTS on August 22, 1990, less restitution payments made by Krisman, to date, of \$1,100. TexasBanc incurred such financial loss in the amount of \$7,563.41, in connection with two fraudulent loans that Krisman knowingly created at TexasBanc in September and October 1988, while serving as an officer at TexasBanc and which resulted in her personal gain and unjust enrichment.
2. Commencing June 20, 1991, Krisman shall comply with Paragraph 1 by making a payment on the 20th day of each month, in the amount of \$100 until September 20, 1991, to TexasBanc Federal, F.S.B., Conroe, Texas, the successor to

