

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
)

Sherwin W. Easterling,)
Former Officer,)
First Guaranty Bank for)
Savings,)
Hattiesburg, Mississippi)
_____)

Re: Resolution No. DAL-91-77

Dated: July 3, 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 Sherwin W. Easterling ("Easterling"), former officer 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 Easterling 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"), 12 U.S.C. § 1818(e). Easterling desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation. Without admitting, and specifically disputing the statements, conclusions or terms herein, Easterling hereby stipulates and agrees to the following

terms in consideration of: (1) the forbearance by the OTS from initiating such administrative prohibition litigation; and (2) the agreement by the OTS to refrain from seeking the issuance of additional enforcement orders for prohibition against Easterling with respect to any matters: (a) reported or otherwise addressed in the OTS Reports of Examination of the Institution for the examination performed as of June 19, 1989, or (b) discovered by the OTS as a result of its investigative proceeding, commenced pursuant to Federal Home Loan Bank Board Resolution No. ERC-90-24, dated January 31, 1990. Easterling, without trial, presentation of any evidence, or findings of fact pursuant to an administrative judicial hearing, has consented to the terms of the Stipulation for the sole purpose of resolving the issues in this proceeding without significant legal cost and expense. The OTS has determined that it is appropriate, and in the best interest of the public to execute the Stipulation and the attached Order of Prohibition ("Order"). This Stipulation and the attached Order are issued solely to settle this proceeding, and are not the result of factual findings.

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, 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, 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 Easterling, 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 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 Easterling 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) Easterling was Executive Vice President and Chief Operating Officer at the Institution from May 8, 1989 to January 1990.

(h) Easterling was at all times relevant to the allegations set forth herein, an officer of the Institution and as such is 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, Easterling is subject to the OTS's authority to maintain prohibition proceedings.

3. Consent. Without admitting or denying the need or basis therefor, Easterling 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, 12 U.S.C. § 1818(e).

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
)
)

Sherwin W. Easterling,)
Former Officer,)
First Guaranty Bank for)
Savings,)
Hattiesburg, Mississippi)
_____)

Re: Resolution No. DAL-91-77

Dated: July 3, 1991

ORDER OF PROHIBITION

WHEREAS, Sherwin W. Easterling ("Easterling") 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, Easterling, 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"), 12 U.S.C. § 1818(e);

NOW THEREFORE, IT IS ORDERED that:

1. Easterling 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, Easterling 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, 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, 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 Easterling 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, of a Covered Institution;

(b) owning stock in a Covered Institution; or

(c) negotiating with a Covered Institution on behalf of a borrowing entity with respect to loan transactions;

Provided however, that activities outlined in paragraphs 3(a)-(c) above may not be performed in a manner that would make

