

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of:)

JOE E. GRIFFITH, Former)
Director and a Person)
Participating in the Conduct)
the Affairs of Davy Crockett)
Federal Savings Bank,)
Crockett, Texas)
_____)

RE: Resolution No. DAL-91-78

DATED: July 9, 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 Joe E. Griffith ("Griffith"), former director and a person participating in the affairs of Davy Crockett Federal Savings Bank, Crockett, Texas (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 Griffith 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"), 12 U.S.C. § 1818(e) (1988 and Supp I 1989). Griffith desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation, and agrees to the following terms in consideration of the forbearance of OTS from initiating such litigation against Griffith.

2. Jurisdiction.

(a) The Institution is 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) (Supp. I 1989). Accordingly, it is 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 persons participating in the conduct of the affairs thereof, including Griffith, pursuant to Section 5 of the HOLA, 12 U.S.C. § 1464.

(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 Griffith 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) Griffith was a director of the Institution from July 20, 1987 to October 17, 1989. From February 1, 1988 until March 31, 1990, Griffith, as a director of the Institution approved or allowed fees in excess of \$70,000.00 to be made advisory directors when said advisory directors were not properly appointed as required by 12 C.F.R. § 545.123.

(h) On August 21, 1989, Griffith, as a director of the Institution, signed a Supervisory Agreement between the Institution and the Office of Thrift Supervision ("Agreement"). Between August 21, 1989 and October 17, 1989, Griffith knew, or should have known, that the board of directors of the Institution was not in compliance with this Agreement, as it applied to those sections which related to "Conflicts of Interest."

(i) Griffith was at all times relevant to the allegations set forth herein, 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)), and therefore is subject to the OTS's authority to maintain prohibition proceedings.

3. Consent. Without admitting or denying that the grounds exist therefor, Griffith 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). 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, 12 U.S.C. § 1818(i).

5. Waivers. Griffith waives his right to a notice of intention to prohibit and the administrative hearing provided by Section 8(e) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e), and further waives his 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.

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ORDER OF PROHIBITION

WHEREAS, Joe E. Griffith ("Griffith") 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, Griffith in the Stipulation 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) and Sup. I 1989);

NOW THEREFORE, IT IS ORDERED that:

1. Griffith is prohibited from further participation, in any manner, in the conduct of the affairs of Davy Crockett Federal Savings Bank, Crockett, Texas and its service corporations.
2. Without the prior written approval of the Regional Director for the Midwest Regional Office and, if appropriate,

another federal financial institutions regulatory agency, Griffith may not 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). 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 Griffith 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;

(c) providing legal services in foreclosure, collection or probate for a Covered Institution, or preparing title opinions for a Covered Institution, solely as an independent contractor on an arms' length, case-by-case basis;

(d) acting as a trustee in a deed of trust; or

(e) representing third parties in loan transactions involving a Covered Institution.

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

