

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
)
THOMAS G. CHILDRESS)
)
Former Director and)
Institution Affiliated Party)
of:)
)
American Federal Bank, a)
Federal Savings Bank,)
Ada, Oklahoma)
)

Re: Resolution No. TOP-91-22

Dated: August 6, 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 Thomas G. Childress ("Childress"), 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 Childress 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) (1988 and Supp. I 1989). Childress desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation. Without admitting or denying the statements, conclusions or terms

herein, Childress hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative prohibition litigation against Childress. Childress, 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. The OTS is of the opinion that:

(a) American Federal Bank, a Federal Savings Bank, Ada, Oklahoma (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) (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 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 its affairs, including Childress, 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 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 administrative prohibition proceedings against persons participating in the conduct of the affairs of the Institution and institution-affiliated parties 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(e) of the FDIA, as amended by the FIRREA, 12 U.S.C. § 1818(e).

(g) Childress was at all times relevant hereto a Director of the Institution and Chief Executive Officer of Lenders Service Incorporated, a service corporation of the Institution. Accordingly, Childress 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), and as such, is subject to the authority of the OTS to initiate and maintain prohibition proceedings pursuant to Section 8(e) of the FDIC, as amended by FIRREA, 12 U.S.C. § 1818(e).

3. Consent. Without admitting or denying the need or basis therefor, Childress consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"), a copy of which is attached hereto and incorporated as Exhibit A. He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of 12 U.S.C. § 1818(e) and 12 U.S.C. § 1730(g).

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).

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ORDER OF PROHIBITION

WHEREAS, Thomas G. Childress ("Childress") has executed a Stipulation and Consent to Issuance of Order of Prohibition ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Midwest Regional Office; and

WHEREAS, without admitting or denying that the grounds exist therefor, Childress has consented and agreed in 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"), 12 U.S.C. § 1818(e) (1988 and Supp. I 1989);

NOW THEREFORE, IT IS ORDERED that:

1. Childress is prohibited from further participation, in any manner, in the conduct of the affairs of American Federal Bank, a Federal Savings Bank, Ada, Oklahoma and its service corporations and subsidiaries.

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, Childress 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 Childress from the following activities, even though such activities may involve or relate to a Covered Institution:

