

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
Gary Bryant Hobbs)
Former Institution Affiliated)
Party of Cross Roads Savings)
and Loan Association)
Checotah, Oklahoma)

Re: Resolution No. TOP-91-29
Dated: August 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 Gary Bryant Hobbs, a former institution-affiliated party of Cross Roads Savings and Loan Association, Checotah, Oklahoma ("Cross Roads"), 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, pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e) (1988 and Supp. I 1989), against Gary Bryant Hobbs in connection with his entry of a guilty plea to ten felony counts of bank fraud and one felony count of embezzlement. Gary Bryant Hobbs desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees

to the following terms in consideration of the forbearance of OTS from initiating such administrative prohibition litigation against Gary Bryant Hobbs.

2. Jurisdiction.

(a) Cross Roads, 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) (1988 and Supp. I 1989) and Section 2(4) of the Home Owners' Loan Act of 1933, 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, 12 U.S.C. § 1813(c) (1988 and Supp. I 1989).

(b) Until August 9, 1989, the accounts of Cross Roads 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 Section 401(a) of the NHA, 12 U.S.C. § 1724(a).

(c) As of August 9, 1989, pursuant to the provisions of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"), the insurance of the accounts of Cross Roads was transferred to the Federal Deposit Insurance Corporation.

I WAS A "controlling" person of Cross Roads
~~(d) Gary Bryant Hobbs was at all times relevant hereto the major shareholder in Cross Roads and attended meetings of Cross Road's board of directors on a regular basis. Therefore, Gary Bryant Hobbs is a person participating in the conduct of the~~
SAVINGS AND LOAN.

affairs of Cross Roads and an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u) (1988 and Supp. I 1989).

(e) As an institution-affiliated party, Gary Bryant Hobbs is subject to the authority of the OTS to initiate and maintain prohibition proceedings pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e) (1988 and Supp. I 1989).

(f) Pursuant to Section 8(i) of the FDIA, 12 U.S.C. § 1818(i) (1988 and Supp. I 1989), neither the receivership of Cross Roads nor Gary Bryant Hobbs' consequent cessation of participation in its affairs serve as a bar to the authority of the OTS to initiate and maintain prohibition proceedings against Gary Bryant Hobbs.

(g) Until August 9, 1989, the Federal Home Loan Bank Board ("FHLBB"), as operating head of the FSLIC, was the regulatory agency with jurisdiction over Cross Roads and persons participating in the conduct of its affairs, including Gary Bryant Hobbs, pursuant to Sections 403 and 407 of the NHA, 12 U.S.C. §§ 1726 and 1730.

(h) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q) (1988 and Supp. I 1989), 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 Cross Roads and persons participating in the conduct of the affairs thereof.

(i) Pursuant to Section 401(f) of FIRREA, FIRREA's abolition of Title IV of the National Housing Act, 12 U.S.C. § 1724 et seq., does not diminish or otherwise affect the validity of the either OTS' (as successor in interest to the FHLBB, as operating head of the FSLIC) right or duty to seek relief which would have arisen under Title IV of the NHA or Gary Bryant Hobbs' duties pursuant to or arising under such Title IV of the NHA.

(j) The Director of the OTS has the authority to bring administrative prohibition proceedings against persons participating in the conduct of the affairs of Cross Roads and institution-affiliated parties, pursuant to Section 5(d)(1)(A) of the HOLA, 12 U.S.C. § 1464(d)(1)(A) (Supp. I 1989), and Section 8(e) of the FDIA, 12 U.S.C. § 1818(e) (1988 and Supp. I 1989).

(k) By virtue of Section 3(e) of the HOLA, 12 U.S.C. § 1462a(e) (Supp. I 1989), such enforcement authority of the director of OTS extends to enforcement powers which were originally vested in the FHLBB with respect to acts which occurred before the passage of FIRREA.

3. Consent. Gary Bryant Hobbs 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, 12 U.S.C. § 1818(e) (1988 and Supp. I 1989). Upon its issuance by the Regional Director for the Midwest Regional

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Re: Resolution No. TOP-91-29
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ORDER OF PROHIBITION

WHEREAS, Gary Bryant Hobbs has executed a Stipulation and Consent to Issuance of Order 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, Gary Bryant Hobbs, 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"), 12 U.S.C. § 1818(e) (1988 and Supp. I 1989);

NOW THEREFORE, IT IS ORDERED that:

1. Gary Bryant Hobbs is prohibited from further participation, in any manner, in the conduct of the affairs of Cross Roads Savings and Loan Association, Checotah, Nebraska ("Cross Roads"), its holding company(ies), or service corporation(s).

2. Without the prior written approval of the Regional Director for the Midwest Regional Office and, if appropriate,

