

UNITED STATES OF AMERICA  
Before the  
OFFICE OF THRIFT SUPERVISION

In the Matter of )  
 )  
WILLIAM JOSEPH STRAUGHAN, )  
 )  
A Former Director of Liberty )  
Federal Savings Bank, Raton, )  
New Mexico, and the Former )  
Chairman of the Board of )  
Southern Bankers Mortgage )  
Corporation, Houston, Texas, )  
an affiliate service )  
corporation of Liberty Federal )  
Savings Bank )

Re: Enforcement Review  
Committee Resolution  
No. ERC 90-28  
dated February 5, 1990

STIPULATION AND CONSENT TO  
ISSUANCE OF ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its Enforcement Review Committee ("ERC"), and William Joseph Straughan, a former director of Liberty Federal Savings Bank, Raton, New Mexico ("Liberty"), and a former Chairman of the Board of Southern Bankers Mortgage Corporation, Houston, Texas ("Southern"), an affiliate service corporation of Liberty, 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 William Joseph Straughan 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") (to be codified at 12 U.S.C. § 1818(e)). William Joseph Straughan 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 William Joseph Straughan.

2. Jurisdiction.

(a) Liberty is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933, as amended by FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(c)).

(b) William Joseph Straughan, as a director of Liberty and Chairman of the Board of Southern was an "institution-affiliated party" as that term is defined in Section 3(f) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(u)).

(c) Pursuant to Section 3 of the FDIA as amended by FIRREA, the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association or its institution-affiliated parties. Therefore, William Joseph Straughan is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)).

3. Consent. William Joseph Straughan 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 (to be codified at 12 U.S.C. § 1818(e)). Upon its issuance by the ERC, 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 (to be codified at 12 U.S.C. § 1818(i)).

5. Waivers. William Joseph Straughan 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 (to be codified by 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 (to be codified at 12 U.S.C. § 1818(h)), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the ERC, on behalf of the OTS, and William Joseph Straughan execute this Stipulation and Consent to Issuance of Order of Prohibition.

OFFICE OF THRIFT SUPERVISION

By:

15/  
Rosemary Stewart  
Secretary, Enforcement  
Review Committee and  
Director of Enforcement

15/  
William Joseph Straughan

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	)	Committee Resolution
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New Mexico, and the Former	)	
Chairman of the Board of	)	
Southern Bankers Mortgage	)	
Corporation, Houston, Texas,	)	
an affiliate service	)	
corporation of Liberty Federal	)	
Savings Bank	)	

ORDER OF PROHIBITION

WHEREAS, William Joseph Straughan 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 Enforcement Review Committee; and

WHEREAS, William Joseph Straughan, 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"), Pub. L. No. 101-73, 103 Stat. 183, (to be codified at 12 U.S.C. § 1818(e)).

NOW THEREFORE, IT IS ORDERED that:

1. William Joseph Straughan is prohibited from further participation, in any manner, in the conduct of the affairs of Liberty Federal Savings Bank, Raton, New Mexico ("Liberty") or any holding company(ies), subsidiaries or service corporation(s) thereof.

2. Without the prior written approval of the OTS, and if appropriate, another Federal financial institutions regulatory agency, William Joseph Straughan 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 (to be codified at 12 U.S.C. 1818(e)(7)(A)). Pursuant to Section 8(e)(6) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)(6)), conduct prohibited by the Order includes, inter alia, the solicitation or exercise of any voting rights with respect to any securities issued by any insured depository institution.

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

4. This Order is subject to the provisions of Section 8(j) of the FDIA, as amended by FIRREA (to be codified at § 1818(j)), and shall become effective on the date it is issued.

THE OFFICE OF THRIFT SUPERVISION

By: <sup>151</sup>

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Rosemary Stewart  
Secretary, Enforcement Review  
Committee and  
Director of Enforcement