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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
THE SAVINGS BANK OF BEAUFORT COUNTY,)
F.S.B.,)
)
Beaufort, South Carolina)
_____)

Re: Resolution No. Atl.
90-1

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its District Director for the Atlanta District Office, OTS, and The Savings Bank of Beaufort County, F.S.B., Beaufort, South Carolina ("Savings Bank"), stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Savings Bank pursuant to Section 8(b) 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(b)). Savings Bank 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 by the OTS from initiating such administrative cease-and-desist litigation against Savings Bank with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) Savings Bank is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act, 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) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the Director of OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such a savings association. Therefore, Savings Bank is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against it pursuant to Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)).

3. Consent. Savings Bank consents to the issuance by the OTS of the Order. It further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)). Upon its issuance by the District Director for the Atlanta District Office, OTS, 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. Savings Bank waives its right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)), and further waives any 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 OTS, by and through its District Director for the Atlanta District Office, OTS, and Savings Bank, by a majority of its directors, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

The Savings Bank of Beaufort County, F.S.B., Beaufort, South Carolina
by a majority of its directors

By: <u>15/</u>	<u>15/</u>		3/14/90
John E. Ryan	Robert A. Kerr		
District Director	<u>15/</u>		3/14/90
Atlanta District Office	Richard L. Gray		
	<u>15/</u>		3/14/90
	Colson R. Battey, Jr.		
	<u>15/</u>		3/14/90
	Richard L. Gray		
	<u>15/</u>		3/14/90
	Carson R. Bentz		
	<u>15/</u>		3/14/90
	Laurance H. Davis, Jr.		
	<u>15/</u>		3/14/90
	William C. Robinson		
	<u>15/</u>		3/14/90
	James D. Neighbors		

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Re: Resolution No. Atl.
90-1

ORDER TO CEASE AND DESIST

WHEREAS, The Savings Bank of Beaufort County, F.S.B., Beaufort, South Carolina ("Savings Bank"), through its directors, has executed a Stipulation and Consent to Issuance of Order to Cease and Desist, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its District Director for the Atlanta District Office; and

WHEREAS, Savings Bank, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act, 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(b)),

NOW THEREFORE, IT IS ORDERED that Savings Bank and its directors, officers, employees, agents and service corporations shall:

1. Comply with all proxy disclosure requirements under Section 14(a) of the Securities Exchange Act of 1934 ("Act") and shall make no solicitation under Section 14(a) of the Act unless each person solicited is currently furnished or has previously been furnished with a written proxy statement prepared in accordance with Regulation 14(a), 17 C.F.R. §§ 240.14a-1 to 240.14a-101 (the "Proxy Rules"), including the information specified in Schedule 14A of the Proxy Rules. The Savings Bank shall comply with all filing requirements specified in 17 C.F.R. § 240.14a-6.

2. The Savings Bank shall retain outside legal counsel competent in securities law to counsel it with respect to compliance with all applicable requirements of the Securities Exchange Act of 1934 and the regulations thereunder.

3. The Savings Bank shall take immediate action to ensure compliance with 12 C.F.R. § 545.121 (Indemnification of Directors, Officers and Employees), including but not limited to the holding of an annual or special shareholders meeting for the purpose of amending its Bylaws on the issue of indemnification of directors, officers and employees within ninety (90) days of the effective date of this Order. Such revisions shall be retroactive to April

20, 1988. In addition, the Savings Bank shall resolicit proxies and resubmit for shareholder vote in a form and manner that fully complies with the Proxy Rules, proposals (2) (lease of parking space) and (4) (approval of stock option for Robert A. Kerr) in its Proxy Statement For 1989 Annual Stockholders' Meeting.

4. The Savings Bank shall comply with 12 C.F.R § 552.6-4 (Fiscal Year; Annual Audit) as well as furnish the information required pursuant to Schedule 14A, Item 9, 17 C.F.R. § 240.14a-101.

THE OFFICE OF THRIFT
SUPERVISION

By:

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John E. Ryan
District Director
Atlanta District Office