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UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

IN THE MATTER OF
HOWARD L. REKSTAD
FORMER DIRECTOR OF
UNITED FEDERAL SAVINGS BANK
WINDOM, MINNESOTA
OTS NO. 3058

RE: RESOLUTION NO. DM 90- ¹⁵ DM 90-1
DATED: 7-3-90

STIPULATION AND CONSENT TO ISSUANCE OF
ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its District Director for the Des Moines District Office, and Howard L. Rekstad, Former Director of United Federal Savings, Windom, Minnesota ("United"), 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 Howard L. Rekstad 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)). Howard L. Rekstad desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, while denying that such grounds exist and solely for the purpose of this proceeding and for enforcing the terms of the order as necessary, hereby stipulates and agrees to the following terms in consideration of the forbearance of OTS from

initiating such administrative prohibition litigation against him.

2. Jurisdiction.

(a) United is a "saving 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) Howard L. Rekstad, as a former director of United, is 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)).

(c) Pursuant to Section 3 of the FDIA as amended by FIRREA, the OTS is the "appropriate Federal banking agency" to maintain enforcement proceedings against such a savings association or its institution-affiliated parties. Therefore, Howard L. Rekstad 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. Howard L. Rekstad 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 District Director for the Des Moines District 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 (to be codified at 12 U.S.C. §1818(i)).

5. Waivers. Howard L. Rekstad 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 at 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.

6. Certain Activities. It is understood and agreed by the OTS and Howard L. Rekstad that the phrase "participating in any manner in the conduct of the affairs", as utilized in 12 U.S.C. §1818(e)(7)(A), this Stipulation and the accompanying Order, does not preclude Howard L. Rekstad from conducting business as a customer of an insured depository institution or from performing real estate services for an insured depository institution solely as an independent contractor so long as such activities are conducted on an arms length, case-by-case basis, provided, however, that such activities may not be performed in a manner that would make Howard L. Rekstad an "institution-

affiliated party" as that term is defined at 12 U.S.C. §1813(u), as amended by section 204(f) of the FIRREA.

WHEREFORE, in consideration of the foregoing, the District Director for the Des Moines District Office, on behalf of the OTS, and Howard L. Rekstad execute this Stipulation and Consent to Issuance of Order of Prohibition.

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District Director
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Howard L. Rekstad

2. Without the prior written approval of the District Director for the Des Moines District Office and, if appropriate, another Federal financial institutions regulatory agency, Howard L. Rekstad 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 § 8(e)(6) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)(6)) conduct prohibited by this Order includes, inter alia, the solicitation, transfer, 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 herein by this reference.

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

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Donald W. Wente
District Director
Des Moines District Office