

UNITED STATES OF AMERICA
Before The
FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

In the Matter of)

GARY B. HOBBS,)

A Person Participating in the)
Conduct of the Affairs of)

CROSS ROADS SAVINGS AND LOAN)
ASSOCIATION,)

Checotah, Oklahoma)
_____)

Re: Enforcement Review
Committee Resolution
No. ERC 89- 104

Dated: August 8, 1989

STIPULATION

The Enforcement Review Committee("ERC"), on behalf of the Federal Savings and Loan Insurance Corporation ("FSLIC") and Gary B. Hobbs agree as follows:

1. Consideration. The ERC is of the opinion, based on information reported to it, that grounds may exist to initiate one or more administrative proceedings against Mr. Gary B. Hobbs pursuant to section 407(g)(2) of the National Housing Act, as amended, 12 U.S.C. § 1730(g)(2), and/or section 407(e) of the NHA, 12 U.S.C § 1730(e) for violations of the Change in Savings and Loan Control Act, 12 U.S.C. § 1730(q) (1982) (the "Control Act") and/or the Savings and Loan Holding Company Act, 12 U.S.C. § 1730a (1982) (the "Holding Company Act"). Mr. Hobbs desires to cooperate with the FSLIC and to avoid the time and expense of such administrative litigation and, without admitting or denying that

grounds exist for the initiation of any such administrative proceedings against him, hereby stipulates and agrees to the following terms in consideration of the FSLIC's forbearance from initiating administrative litigation pursuant to section 407(e) or (g) of the NHA, 12 U.S.C. § 1730(e) or (g) against him for so long as he is in compliance with the terms of this Stipulation and the accompanying Decree.

2. Jurisdiction. Cross Roads Savings and Loan Association, Checotah, Oklahoma ("Cross Roads") was, until July 12, 1989, an institution the accounts of which were insured by the FSLIC, making it an "insured institution" as that term is used in the NHA. The ERC is of the opinion that Hobbs was a "person participating in the conduct of the affairs of Cross Roads" during the period when Cross Roads was an insured institution, and that Mr. Hobbs is, therefore, subject to the FSLIC's authority to initiate and maintain an administrative proceeding against him pursuant to section 407(g) of the NHA, 12 U.S.C. § 1730(g) (1982). Solely for the purposes of establishing the jurisdiction of the FSLIC with respect to this Stipulation and the attached Decree, Mr. Hobbs does not dispute such contentions.

3. Consent. Mr. Hobbs hereby consents to the issuance by the ERC, on behalf of the FSLIC, of the accompanying Decree, and agrees to comply with its terms upon issuance and that the Decree complies with all requirements of law.

4. Finality. The Decree is issued under section 407(g) of the NHA, 12 U.S.C. § 1730(g)(1982), and upon its issuance shall be an "order which has become final" as defined in section

407(r)(1)(A) of the NHA, 12 U.S.C. § 1730(r)(1)(A)(1982).

5. Effectiveness. The Decree is effective upon its issuance by the ERC and is fully enforceable by the FSLIC under the provisions of section 407(k) of the NHA, 12 U.S.C. § 1730(k) (1982).

6. Waivers. Mr. Hobbs waives his right to the administrative hearing provided by section 407(g) of the NHA, 12 U.S.C. § 1730(g)(1982), and further waives his right to seek judicial review of the Decree including any such right provided by section 407(j) of the NHA, 12 U.S.C. § 1730(j)(1982), or otherwise to challenge the validity of the Decree. The FSLIC waives its right to seek or impose civil penalties against Mr. Hobbs for violations of the Change in Savings and Loan Control Act, 12 U.S.C. § 1730(q)(1982) or the Savings and Loan Holding Company Act, 12 U.S.C. § 1730a (1982). In addition, the FSLIC's Office of Enforcement agrees that it will not involve Mr. Hobbs in its formal examination of Cross Roads, currently authorized by section 407(m)(2) of the NHA, 12 U.S.C. § 1730(m)(2), except as necessary to obtain information about Cross Roads which it is impracticable to obtain from other sources. Nothing herein shall impair the obligation of Mr. Hobbs to provide information or otherwise to respond to discovery requests in any lawsuit to which he or any entity directly or indirectly controlled by him shall be a party.

7. Confidentiality. This Stipulation and the related Decree constitute "information of the Board" as defined at 12 C.F.R. § 505.2 and will not be made available to the public except as ordered by any court of competent jurisdiction or otherwise

required by law. Nothing herein shall impair the ability or obligation of the FSLIC to provide information concerning the Decree or Stipulation (including copies thereof) to any other government agency for the purpose of investigations or actions within the jurisdiction of such agency.

8. Miscellaneous. The terms and provisions hereof shall be binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest.

WHEREFORE, in consideration of the foregoing, the ERC, on behalf of the FSLIC, and Gary B. Hobbs execute this Stipulation.

FOR THE FEDERAL SAVINGS AND LOAN
INSURANCE CORPORATION

GARY B. HOBBS

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Rosemary Stewart
Director, Office of Enforcement
Secretary, Enforcement Review
Committee

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2. Without the prior written approval of the FSLIC, Gary B. Hobbs may not vote for a director or serve or act as a director, officer, or employee of any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation or any holding company(ies), subsidiary(ies) or service corporation(s) of such institutions.

3. Gary B. Hobbs shall comply in the future with the Change in Savings and Loan Control Act, 12 U.S.C. § 1730(q) (1982) and the Savings and Loan Holding Company Act, 12 U.S.C. § 1730a (1982), and regulations promulgated thereunder.

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

5. This Decree is subject to the provisions of section 407(p)(1) of the NHA, 12 U.S.C. § 407(p)(1) (1982) and shall become effective on the date it is issued.

FOR THE FEDERAL SAVINGS AND LOAN
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