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Rosemary Stearn
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1989 Supervisory Agr

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 18th day of May, 1989, by and between Great West Savings Bank, F.S.B., Craig, Colorado, Docket No. 08476 ("Great West" or "Institution"), TAMCO, a Colorado corporation, Denver, Colorado ("Holding Company"), U.S. Federal Mortgage Corporation ("U.S. Federal"), Mr. Thomas Waymire, and the Federal Home Loan Bank Board ("FHLBB").

WHEREAS, the boards of directors of the Institution, the Holding Company, U.S. Federal Mortgage Corporation, a wholly-owned subsidiary of the Holding Company, and Mr. Waymire (collectively, the "Interested Parties") acknowledge the interest of the Federal Savings and Loan Insurance Corporation ("FSLIC"), as the insurer of the savings accounts of the Institution, and the supervisory rights, powers, and authority of the FHLBB, as the operating head of the FSLIC, with respect to the Institution under the statutes and regulations that govern the operations of the Institution; and

WHEREAS, the FHLBB is of the opinion that as of August 1, 1988, the Institution, U.S. Federal Mortgage Corporation and the Holding Company have violated 12 C.F.R. Sections 563.41 and 563.43 (1989), 12 C.F.R. Section 584.3 (1989) and 12 C.F.R. Section 571.9 (1989) to which the Institution, U.S. Federal Mortgage Corporation and the Holding Company are subject, thereby providing grounds for the initiation of cease-and-desist proceedings against the Interested Parties by the FHLBB; and

WHEREAS, in the interest of regulatory compliance and cooperation, the Interested Parties are willing to enter into this Agreement to avoid the initiation of such cease-and-desist proceedings; and

WHEREAS, the FHLBB is willing to forbear at this time from the initiation of cease-and-desist proceedings on the subjects covered by this Agreement as the result of the Interested Parties' failure to comply with the applicable restrictions on transactions with affiliates and usurpation of corporate opportunities in accordance with Sections 563.41 and 563.43, 584.3 and 571.9 (as they may, from time to time, be amended) of the Rules and Regulations for the Federal Savings and Loan Insurance Corporation ("Insurance Regulations") (12 C.F.R. Sections 563.41, 563.43, 584.3 and 571.9 (1989)) as long as the Interested Parties are in compliance with this Agreement;

NOW, THEREFORE, in consideration of the FHLBB's above-stated forbearance, it is agreed between the parties hereto as follows:

1. Within 14 business days after the Supervisory Agent's presentation of this Agreement, Mr. Thomas Waymire shall transfer to the U.S. Federal, the entire and complete option to purchase all stock and other ownership interest, as well as the mortgage banking business of Inland Empire Mortgage Corporation (the "Option"). After such transfer is completed, Mr. Waymire shall have reserved unto himself no right, title, or interest in the Option. Such transfer shall be without cost, however denominated, to the Institution. Such Option shall not be encumbered by security interests and Mr. Waymire hereby undertakes not to sell, transfer,

assign or otherwise deliver the Option to any other party between the execution of this Agreement and the authorized transfer to U.S. Federal.

2. Without the prior written approval (which approval shall not unreasonably be withheld and approval or denial shall, on a best efforts basis, be provided within ten business days) of the Principal Supervisory Agent for the Federal Home Loan Bank of Topeka ("Principal Supervisory Agent") or his designee, the Institution and Holding Company shall not, and shall not allow any wholly-owned or majority-owned subsidiary or affiliate of the Institution or Holding Company to:

a. make any increase in excess of ten percent (10%), on an annualized basis, in the rate of compensation to any of its directors or senior officers, or or agree to do so; except for individual merit increases in accordance with the standard personnel policy in effect at the time this Agreement is presented by the Supervisory Agent for the FHLB-Topeka ("Supervisory Agent") for execution, and normal periodic employee salary and wage increases scheduled prior to the effective date of this Agreement and that comply with Section 563.17 of the Insurance Regulations, 12 C.F.R. Section 563.17 (1989), and FHLBB Memorandum R-42;

b. enter into, renew or revise any contractual arrangement with any senior officer, director, controlling person, affiliate, subsidiary, or affiliated person for or of the Institution or any of its subsidiaries;

c. invest in any service corporation or any subsidiary thereof or finance subsidiary. For the purposes of this

subparagraph, "invest in" shall include, but is not limited to, the making of investments in securities issued by such entities, and the extensions of credit to, or the guaranteeing of the debt of, such entities;

d. declare or pay cash, stock or in-kind dividends on common or preferred stock, or pay or distribute returns of capital contributions;

e. engage in any transactions with affiliates, controlling persons, affiliated persons, immediate family members thereof, or holding company affiliates (collectively, and hereafter, the "interrelated parties"), as those terms are defined at 12 C.F.R. §§ 561.25, 561.28, 561.29, 561.30, and 561.34 (1989); or

f. engage in transactions pursuant to the terms of 12 U.S.C. § 1730a(p).

3. Within thirty (30) days after the execution of this Agreement, the Institution shall provide to the Supervisory Agent a list of all loans to interrelated parties (as defined hereinabove) outstanding as of the date of this Agreement. For purposes of this paragraph, a de minimis exclusion shall exist so as not to require the reporting of transactions which have a fair market value (at the time of the loan's commitment) of less than \$5,000.

The information for each loan shall include:

1. the identity of the obligor and guarantor, if any;
2. the date of the loan;
3. the total amount disbursed;
4. the loan amount remaining to be disbursed;

5. the terms of the loan;
6. the publicly available terms for similar loans;
7. the collateral for the loan; and,
8. the prospects for repayment.

4. Within thirty (30) days after the execution of this Agreement, the Institution and Holding Company shall provide to the Supervisory Agent a list of all transactions (i.e., the assumption of a loan(s), or the purchase, sale or lease of assets) completed within one year prior to the execution of this Agreement with any and all interrelated parties. For purposes of this paragraph, a de minimis exclusion shall exist so as not to require the reporting of transactions which had a fair market value (at the time of the transaction) of less than \$5,000.

The information to be provided on each of these transactions shall include:

- a. the identity of the affiliated party participating in the transaction and the nature of the transaction;
- b. the date of the transaction;
- c. the total amount disbursed (or value of the property transferred or acquired);
- d. the amount remaining to be disbursed (or the present value of property transferred or acquired);
- e. the other financial terms of the transaction; and

f. the terms with which the Institution or Holding Company would have been willing to engage in an identical transaction with an unrelated party if both parties were willing buyers and willing sellers, neither under any compulsion to buy or sell.

5. The Institution, and its subsidiaries, shall adhere to the policy statement guidelines set forth in 12 C.F.R. Sections 571.7 and 571.9 (1989) concerning conflicts of interest and usurpation of corporate opportunity. Within 30 days of the date of this Agreement, the Institution shall submit a plan for avoidance of conflicts of interest and usurpation of corporate opportunities, acceptable to the Supervisory Agent. Such plan will (a) specify, by name, any director or officer whose occupation or business interests may create possible conflicts of interest with the Institution, (b) identify specific areas in which such abuses could occur, (c) describe specific policies and actions that the Institution will adopt to avoid potential conflicts of interest and corporate opportunity abuses, (d) establish specific procedures for dealing with directors and management officials who violate the Institution's policies in these areas, and (e) set forth the steps to be taken to eliminate any current and prevent any future conflicts of interest (except for transactions expressly approved by the Supervisory Agent), or the appearance of any conflicts of interest. To the extent the policies are amended or material deviations from the policies are authorized, the Supervisory Agent

shall be notified of the amendment or deviation and provided a written justification or reasoned basis for the decision.

6. Neither the Institution nor the Holding Company shall reimburse, indemnify, compensate or otherwise make whole any individual for any adverse financial or other consequence stemming from any proposed, but canceled, transaction (including the transaction set forth in paragraph numbered 1 of this Agreement) between those entities and any interrelated party.

7. At the next meeting of the boards of directors of the Holding Company and the Institution following the Supervisory Agent's presentation of this Agreement, each board shall, by resolution, attest to the fact that each member of the board has well and thoughtfully read and understood Federal Home Loan Bank Board Memoranda R-19a and R-62 and state their collective resolution to abide, at all times, with the spirit and intent of the resolutions. A certified copy of the resolution shall be promptly provided to the Supervisory Agent.

8. Within thirty (30) days after the execution of this Agreement, the board of directors of the Institution shall, by resolution, create an audit committee to investigate and monitor internal corporate affairs for compliance with the applicable rules and regulations concerning transactions with affiliates and affiliated persons. The composition (subject to prior, written Supervisory Agent approval) and duties of such committee shall be fully consistent with Federal Home Loan Bank Board Memorandum R-44 which is incorporated herein by reference and made a part hereof. A certified copy of the enabling resolution shall be promptly

provided to the Supervisory Agent. Upon request, the minutes and other records of the Audit Committee shall promptly be made available to the Supervisory Agent and his/her designees.

9. The Institution shall file all financial reports required by the FSLIC including monthly and quarterly reports by the required due date and such other reports requested by the Supervisory Agent by the requested due date.

10. No later than the final day of each bimonthly period, the boards of directors of the Institution and Holding Company shall file with the Supervisory Agent a resolution, similar to the attached resolution, signed by each director, certifying that to the best of their knowledge and after reasonable inquiry, the Institution and Holding Company have complied with all conditions of this Agreement.

11. All technical words or terms used in this Agreement, for which meanings are not specified or otherwise provided by the provisions of this Agreement, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations shall have meanings that accord with the best custom and usage in the savings and loan industry.

This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Interested Parties. It is understood and agreed that this Agreement is a "written agreement entered into

with the [Federal Home Loan] Bank Board" as that phrase is used in Section 5(d)(2) of the HOLA, 12 U.S.C. Section 1464(d)(2)(1982).

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

This Agreement shall remain in effect until terminated by the FHLBB, acting through its Supervisory Agent at the Federal Home Loan Bank Board, Tenth District, or its successor in interest. Such Supervisory Agent or successor in interest may amend, modify, void or suspend, in his/her sole discretion, any or all provisions of this Agreement during the term of this Agreement. The Supervisory Agent will entertain, in good faith, written requests for termination of the Agreement, if, in his/her opinion, the Institution has at all times complied with the terms of this Agreement and has maintained compliance with transactions with interrelated parties for a period ending April 30, 1991.

CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of _____, (the "Institution" or "Holding Company," as appropriate), hereby certify that the following is a true copy of a resolution duly adopted by its Board of Directors at a meeting duly called and held on _____, 1989, that at said meeting a quorum was present and voting throughout, and that said resolution has not been rescinded or modified and is now in full force and effect:

RESOLUTION

WHEREAS, the officers and directors of the _____ have been advised that the Federal Home Loan Bank Board ("FHLBB") representatives believe the _____ to have violated the provisions of 12 C.F.R. Sections 563.41 and 563.43 and 12 C.F.R. Sections 584.3 and 571.9 (collectively, the "transactions with affiliates regulations") to which the _____ is subject thereby providing grounds for the initiation of cease-and-desist proceedings against the _____ by the FHLBB, and

WHEREAS, said officers and directors have been informed that the FHLBB will forbear from the initiation of cease-and-desist proceedings as a result of the _____ failure to comply with the transactions with affiliates regulations if that certain

Supervisory Agreement ("Agreement") proposed by the FHLBB is executed by the _____ and if its terms are thereafter carried out by the _____ and

WHEREAS, the directors of the _____ have read and considered the Agreement attached to the minutes of the meeting of the Board of Directors held on _____, 1989 and after due consideration, and in the interest of regulatory compliance and cooperation, have determined to enter into the Agreement:

NOW, THEREFORE, BE IT RESOLVED, that the proposed Agreement, a copy of which is attached hereto, be and is hereby approved by the Board of Directors of the _____. The president of the _____ is authorized to sign and execute the Agreement on behalf of the _____. The officers and employees of the _____ are directed and authorized to take all necessary steps to implement immediately the terms of the Agreement.

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of _____ this _____ day of _____, 1989.

Secretary

CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

WHEREAS, the Board of Directors of _____
_____, Colorado has been required to make
certain certifications regarding the activities as outlined in the
Supervisory Agreement dated _____, 1989, and

WHEREAS, the Board of Directors have reviewed certain
activities and transactions with the senior officers of the
_____ occurring during the month of _____, 1989;

NOW, THEREFORE, BE IT RESOLVED, that based upon reports and
information provided to the undersigned directors by the senior
officers of _____, the undersigned members of the
Board of Directors hereby certify that, to the best of our
knowledge, _____ has complied with all
conditions of the Supervisory Agreement during the month of
_____, 1989.

DATE: _____