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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
G. Richard Munton)
)
Former Officer)
First Guaranty Bank for)
Savings,)
Hattiesburg, Mississippi)
_____)

RE: Resolution No. DAL-91-17

Dated: April 19, 1991

ORDER TO CEASE AND DESIST

WHEREAS, G. Richard Munton ("Munton") 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 Regional Director for the Midwest Regional Office; and

WHEREAS, Munton, 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:

1. Munton shall cease and desist from violating or aiding and abetting the violation of 12 C.F.R. § 563.9-8 (1990), and any successor regulation.
2. Munton shall cease and desist from further participation, in any manner, in the conduct of the affairs of First Guaranty Bank for Savings, Hattiesburg, Mississippi, its successor First Guaranty Federal Savings and Loan Association or any of its subsidiaries ("the Institution").

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RE: Resolution No. DAL-91-17

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STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office, OTS, and G. Richard Munton ("Munton"), former officer of First Guaranty Bank for Savings, Hattiesburg, Mississippi (the "Institution"), 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 Munton 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)). Munton hereby admits that the OTS has a basis for such a proceeding. Munton desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and 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 Munton, with respect to the matters covered in the accompanying Order to Cease and Desist ("Order"). Munton hereby admits that every fact

and statement contained in Paragraphs 2(g), 2(h), 2(i), 2(j), 2(k), and 2(l) is true.

2. Jurisdiction.

(a) The Institution at all times relevant to the allegations set forth herein, was a "savings association" within the meaning of Section 3(b) of the FDIA (12 U.S.C. § 1813(b)) and Section 2(4) of the Home Owners' Loan Act of 1933, as amended by Section 301 of FIRREA (to be codified at 12 U.S.C. § 1462 (4)). Accordingly, it was 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) Until August 9, 1989, the accounts of the Institution were insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") pursuant to Section 403(b) of the National Housing Act of 1934 ("NHA"), 12 U.S.C. § 1726(b), by reason of which it was an "insured institution" within the meaning of the NHA.

(c) As of August 9, 1989, pursuant to the provisions of FIRREA, the insurance of the accounts of the Institution was transferred to the Federal Deposit Insurance Corporation.

(d) Until August 9, 1989, the Federal Home Loan Bank Board ("FHLBB"), as operating head of the FSLIC, was the regulatory agency with jurisdiction over the Institution and its directors and officers including Munton, pursuant to Sections 403 and 407 of the NHA, 12 U.S.C. § 1726 and 1730.

(e) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, as amended by Section 204 of the FIRREA (to be codified at 12 U.S.C. § 1813(q)), the OTS succeeded to the interests of the FHLBB with respect to the supervision and regulation of all savings associations, and thus became the "appropriate

Federal banking agency" with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof.

(f) The Director of the OTS has the authority to bring an administrative cease and desist order proceeding against the Institution pursuant and to Section 5(d)(1)(A) of the HOLA, as amended by Section 301 of the FIRREA (to be codified at 12 U.S.C. § 1464(d)(1)(A)), and Section 8 of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. § 1818).

(g) Munton was an officer (President) at the Institution from approximately 1976 until on or about May 7, 1989. After May 7, 1989 Munton ceased to be affiliated with, or participate in the affairs of the Institution.

(h) As President of the Institution, Munton was aware that the Institution reported to the FHLBB, that as of March 31, 1989, the Institution was failing to meet its minimum capital requirements.

(i) As President of the Institution, Munton was aware that the Board of Directors of the Institution, through its Chairman, Forrest Wood and the Institution's General Counsel, Carroll Ingram, was, from late April 1989 until the time he left the Institution, negotiating the terms on an equity risk investment with a Louisiana insurance company, Unemployment Compensation Control Systems ("UCCS").

(j) On more than one occasion before he left the Institution, Munton personally communicated with the Institution's General Counsel, Carroll Ingram, that it was his belief that the Institution must obtain prior regulatory approval before entering into the UCCS investment.

(k) Munton never informed any regulatory agency including but not limited to the FHLBB of the pendency of the UCCS investment. Munton did sign the attached letter (Exhibit "A"), which does not refer to, or discuss the UCCS transaction.

(l) Munton was at all times relevant to the allegations set forth herein, an officer of the Institution and as such was 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)).

(m) As an institution-affiliated party, Munton is subject to the OTS's authority to maintain cease and desist and proceedings.

3. Consent. Munton consents to the issuance by the OTS of the Order. He 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 Regional Director for the Midwest Regional Office of the 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. Munton, waives his 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 Regional Director for the Midwest Regional Office, OTS, and G. Richard Munton execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

By:

15/
Billy C. Wood
Regional Director
Midwest Regional Office

15/
G. Richard Munton