

**UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION**

_____ )	OTS Order No.:	SE-10-013
In the Matter of )		
)		
<b>RAYMOND LEIGH</b> )	Effective Date:	April 8, 2010
)		
Controlling Shareholder and )		
Institution-Affiliated Party of )		
)		
Security Bank and )		
Security Federal Bancorp, Inc. )		
Tuscaloosa, Alabama )		
OTS Docket Nos. 07098 and H-2395 and )		
)		
Southfirst Bank and )		
Southfirst Bancshares, Inc. )		
Sylacauga, Alabama )		
OTS Docket Nos. 05329 and H-2342 )		
_____ )		

**ORDER TO CEASE AND DESIST**

**WHEREAS**, Leigh has executed a Stipulation and Consent to Issuance of Order to Cease and Desist (Stipulation); and

**WHEREAS**, Leigh, by execution of the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the OTS pursuant to 12 U.S.C. § 1818(b); and

**WHEREAS**, pursuant to delegated authority, the OTS Regional Director for the Southeast Region (Regional Director) is authorized to issue Orders to Cease and Desist where an institution-affiliated party (IAP)<sup>1</sup> has consented to the issuance of an order.

<sup>1</sup> The term “institution-affiliated party” is defined at within the meaning of 12 U.S.C. § 1813(u).

**NOW THEREFORE, IT IS ORDERED that:**

**Cease and Desist.**

1. Leigh shall cease and desist from any violations of the Savings and Loan Holding Company Act, 12 U.S.C. § 1467a (SLHCA); the Change in Bank Control Act, 12 U.S.C. § 1817(j) (BCA), and the OTS Control Regulations, 12 C.F.R. Part 574, including any successor statutes and regulations (Control Regulations).

**Corrective Actions.**

2. Leigh shall take immediate action that will ensure that any existing and outstanding violations of the Control Regulations at 12 C.F.R. Part 574 are corrected not later than sixty (60) days.

**Notifications.**

3. Within sixty (60) days, Leigh shall provide the OTS with a list of all insured depository institutions and their holding companies in which Leigh owns stock (Stock Report). The Stock Report shall include:

- (a) the name of each institution and/or holding company;
- (b) the stock ticker symbol for each institution and/or holding company;
- (c) the total number of shares owned; and
- (d) the total purchase amount of such stock.

4. While this Order is in effect, Leigh shall, prior to accepting any position as an IAP of any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), provide the chief executive officer and the board of directors of such institution or agency with a copy of this Order.

5. Within ten (10) days after his acceptance of any position from an institution or agency

specified in 12 U.S.C. § 1818(e)(7)(A), Leigh shall provide written notice of such acceptance to the Regional Director, together with a written certification of his compliance with paragraph 5 of this Order.

**Compliance.**

6. Leigh shall promptly respond to any request from the OTS for documents to demonstrate compliance with this Order.

**Effective Date, Incorporation of Stipulation.**

7. This Order is effective as of the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

**Duration.**

8. This Order shall remain in effect until terminated, modified, or suspended by written notice of such action by the OTS, acting by and through its authorized representatives.

**Time Calculations.**

9. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

10. The Regional Director, or an OTS authorized representative, may extend any of the deadlines set forth in the provisions of this Order upon written request by Leigh that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

**Submissions and Notices.**

11. All submissions, including any certifications and notices, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

12. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

- (a) To the OTS:  
Regional Director  
1475 Peachtree St., N.E.  
Atlanta, Georgia 30309  
Fax: (404) 897-1861
  
- (b) To Leigh:  
Raymond Leigh  
1302 Lexington Lane  
Tuscaloosa, Alabama 35406

**No Violations Authorized.**

13 Nothing in this Order or the Stipulation shall be construed as allowing Leigh to violate any law, rule, or regulation.

**IT IS SO ORDERED.**

**OFFICE OF THRIFT SUPERVISION**

/s/  
By: \_\_\_\_\_  
James G. Price  
Southeast Regional Director

Date: See Effective Date on page 1

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Sylacauga, Alabama	)		
OTS Docket Nos. 05329 and H-2342	)		

**STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST**

**WHEREAS**, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Southeast Region (Regional Director), and based upon information derived from the exercise of its regulatory responsibilities, has informed Raymond Leigh (Leigh or Respondent), controlling shareholder of (i) SouthFirst Bank (SouthFirst Bank) and its holding company SouthFirst Bancshares, Inc. (SF Bancshares), Sylacauga, Alabama, OTS Docket Nos. 05329 and H-2342; and (ii) Security Bank (Security Bank) and its holding company Security Federal Bancorp, Inc. (Security Bancorp), Tuscaloosa, Alabama, OTS Docket Nos. 07098 and H-2395, that the OTS is of the opinion that grounds exist to initiate an administrative proceeding

against Leigh pursuant to 12 U.S.C. § 1818(b); and

**WHEREAS**, the Regional Director, pursuant to delegated authority, is authorized to issue cease and desist orders where an institution-affiliated party has consented to such an order; and

**WHEREAS**, Leigh desires to cooperate with the OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to Issuance of Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraphs 1-6 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

**Jurisdiction.**

1. SouthFirst Bank and Security Bank are each a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, both are each an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Security Bank was a wholly owned savings association subsidiary of Security Bancorp. Accordingly, Security Bancorp is a “savings and loan holding company” within the meaning of 12 U.S.C. §§ 1476a and 1813(w)(3).
3. SouthFirst Bank was a wholly owned savings association subsidiary of SF Bancshares. Accordingly, SF Bancshares is a “savings and loan holding company” within the meaning of 12 U.S.C. §§ 1467a and 1813(w)(3).
4. Pursuant to Sections 4 and 5 of the Home Owners Loan Act (HOLA), 12 U.S.C. §§ 1463 and 1464, Security Bank, Security Bancorp, SouthFirst Bank and SF Bancshares, at all relevant times, have been subject to examination, supervision, and regulation by the OTS.
5. As a controlling shareholder at Security Bancorp and SF Bancshares, Leigh is deemed to

be an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u), and served in such capacity within six (6) years of the Effective Date as shown on the first page (see 12 U.S.C. § 1818(i)(3)).

6. Pursuant to 12 U.S.C. §§ 1818(b) and (i)(2); 1813(q)(4) and 1464(d)(1)(A), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against an institution-affiliated party. Therefore, Leigh is subject to the authority of the OTS to initiate and maintain an administrative cease and desist proceeding against him pursuant to 12 U.S.C. § 1818(b).

**OTS Findings of Fact.**

7. The OTS finds that:

(a) Leigh acted in concert and/or was presumed to be acting in concert with other stockholders of Security Bancorp and SF Bancshares (collectively, the “Holding Companies”) within the meaning of those terms as set forth in 12 C.F.R. §§ 574.2(c) and 574.4(d).

(b) The total stock attributable to Leigh by reason of such action in concert exceeded ten percent (10%) and resulted in Leigh being one of the two largest shareholders of each of the Holding Companies. Accordingly, Leigh acquired rebuttable control of each of the Holding Companies within the meaning of 12 C.F.R. 574.4(b).

(c) Leigh did not file a notice of change in control or rebuttal of action in concert with the OTS prior to acquiring rebuttable control of each of the Holding Companies as required by 12 C.F.R. §§ 574.3 and 574.4(e).

**Consent.**

8. Leigh consents to the issuance by the OTS of the accompanying Order to Cease and

Desist (Order). Leigh further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

**Finality.**

9. The Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date, the Order shall be a final order, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

**Waivers.**

10. Leigh waives the following:

- (a) the right to be served with a written notice of the OTS's charges against him as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and
- (d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or otherwise.

**OTS Authority Not Affected.**

11. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting Leigh if at any time the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

**Other Governmental Actions Not Affected.**

12. Leigh acknowledges and agrees that his consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 11 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Leigh that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

**Agreement for Continuing Cooperation.**

13. Leigh agrees that he will fully cooperate with the OTS including, but not limited to, at the OTS's written request on reasonable notice and without service of a subpoena, providing discovery and testifying truthfully at any deposition or at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by the OTS or other appropriate Federal banking agency relating to the Holding Companies and/or their any service corporations, subsidiaries, or institution-affiliated parties.

**Miscellaneous.**

14. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

15. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired

thereby, unless the Regional Director in his or her sole discretion determines otherwise.

16. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

17. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

18. The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

19. The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Regional Director or other authorized representative.

**WHEREFORE**, Respondent executes this Stipulation.

Accepted by:

**RAYMOND LEIGH**

**OFFICE OF THRIFT SUPERVISION**

/s/  
By: \_\_\_\_\_  
Raymond Leigh

/s/  
By: \_\_\_\_\_  
James G. Price  
Southeast Regional Director

Date: See Effective Date on page 1