

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:

VINCENT ELIAS

Former Employee and
Institution-Affiliated Party
of:

SECURITY FEDERAL BANK, A FSB
ST. JOHN, INDIANA

RE: OTS Order No. CHI-96-01

Dated: February 21, 1996

STIPULATION AND CONSENT TO
ENTRY OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed VINCENT ELIAS, a former Vice President and institution-affiliated party of Security Federal Bank, A FSB, St. John, Indiana ("the Association"), that the OTS is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against VINCENT ELIAS pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e).¹

WHEREAS, VINCENT ELIAS desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and hereby stipulates and agrees to the following terms:

1. All references to the United States Code ("U.S.C.") are as amended.

1. Jurisdiction.

(a) The Association is 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, 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) VINCENT ELIAS, as a former Vice President of the Association is deemed to be an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u), having served in such capacity within 6 years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association and/or its institution-affiliated parties. The Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue an order of prohibition where the respondent has consented to the issuance of the order. Therefore, VINCENT ELIAS 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, 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS finds that:

(a) In or about May 1993, VINCENT ELIAS, a Vice President of the Association, acting without authority, did

knowingly and with intent to injure and defraud the Association, embezzle monies, funds, assets or securities in excess of \$100.00 entrusted to the Association for his own personal use, in violation of 18 U.S.C. § 656.

Furthermore, as a result of his actions, VINCENT ELIAS: (1) engaged in a violation of law and/or breached his fiduciary duty of honesty to the Association; and (2) the Association suffered a financial loss and/or VINCENT ELIAS received a financial gain; and (3) the violation of law and/or breach of fiduciary duty demonstrates willful and/or continuing disregard by VINCENT ELIAS for the safety and soundness of the Association.

(b) On or about April 7, 1995, VINCENT ELIAS pled guilty to one count of theft, embezzlement or misapplication by a bank officer or employee. Prior to entering a plea of guilty, VINCENT ELIAS made restitution directly to the Association in an amount in excess of \$16,000.

c) Judgment was entered against VINCENT ELIAS on or about July 5, 1995, in the United States District Court Northern District of Indiana.

3. Consent. VINCENT ELIAS 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 by the OTS under the authority of Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the Central Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. VINCENT ELIAS waives the following:

(a) the right to be served with a written notice of the OTS's charges against him (referred to as a Notice of Intention to Prohibit) (see Section 8(e) of the FDIA);

(b) the right to an administrative hearing of the OTS's charges against him (see Section 8(e) of the FDIA);

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) any and all claims for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law or under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

6. Indemnification. VINCENT ELIAS shall neither cause nor permit the Association (or any subsidiary thereof) to incur, directly or indirectly, any expense for any legal (or other

professional expenses) incurred relative to the negotiation and issuance of the Order of Prohibition, nor obtain any indemnification (or other reimbursement) from the Association (or any subsidiary thereof) with respect to such amounts. Any such payments received by or on behalf of the Respondent in connection with this action shall be returned to the Association.

7. Other Government Actions Not Affected. VINCENT ELIAS acknowledges and agrees that the consent to the entry of the Order are for the purposes of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of VINCENT ELIAS that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

By signing this Stipulation and Consent to Entry of an Order of Prohibition, VINCENT ELIAS agrees that he will not assert this proceeding, his consent to the entry of the Order, and/or the entry of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other Federal or State governmental entity.

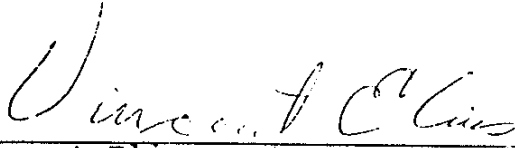
8. Acknowledgment of Criminal Sanctions. VINCENT ELIAS acknowledges that Section 8(j) of the FDIA, 12 U.S.C. 1818(j), sets forth criminal penalties for knowing violations of this Order.

WHEREFORE, VINCENT ELIAS executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound hereby.

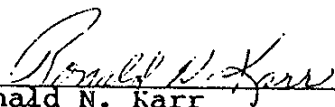
By:

Accepted by:

Office of Thrift Supervision



Vincent Elias



Ronald N. Karr
Regional Director
Central Region

Date: 2-9-96

Date: 2-21-96

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SECURITY FEDERAL BANK, A FSB
ST. JOHN, INDIANA

RE: OTS Order No. CHI-96-01

Dated: February 21, 1996

ORDER OF PROHIBITION

WHEREAS, VINCENT ELIAS has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation") on February 9, 1996.

WHEREAS, VINCENT ELIAS, by his execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e).1/

WHEREAS, the Director of the OTS has delegated to the Regional Director of the OTS the authority to issue Orders on behalf of the OTS where there has been consent of the Respondent.

1/ All references to the United States Code ("U.S.C.") are as amended.

NOW THEREFORE, IT IS ORDERED that:

1. Due to the operation of Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6), VINCENT ELIAS shall not:

(a) participate in any manner in the conduct of the affairs of the institutions and agencies set forth in paragraph 2 of this Order;

(b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights with respect to the institutions and agencies set forth in paragraph 2 of this Order;

(c) violate any voting agreement previously approved by the "appropriate Federal banking agency" as defined in Section 3(q) of the FDIA, 12 U.S.C. § 1813(q); or

(d) vote for a director, or serve or act as an "institution-affiliated party", as defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

2. Due to the operation of Section 8(e)(7) of the FDIA, 12 U.S.C. § 1818(e)(7), VINCENT ELIAS shall not continue or commence to hold any office in, or participate in any manner in the conduct of the affairs of:

(a) any insured depository institution, as defined in Section 8(c) of the FDIA, 12 U.S.C. § 1813(c);

(b) any institution treated as an insured bank under Sections 8(b)(3) or (b)(4) of the FDIA, 12 U.S.C. § 1818(b)(3) or (b)(4);

(c) any institution treated as a savings association under Section 8(b)(9) of the FDIA, 12 U.S.C. § 1818(b)(9), including:

- (i) any savings and loan holding company,
 - (ii) any subsidiary of a savings and loan holding company,
 - (iii) any service corporation of a savings association, or,
 - (iv) any subsidiary of a service corporation, whether wholly or partly owned;
- (d) any insured credit union under the Federal Credit Union Act (12 U.S.C. § 1751 et seq.);
- (e) any institution chartered under the Farm Credit Act of 1971 (12 U.S.C. § 2001 et seq.);
- (f) any appropriate Federal depository institution regulatory agency; or
- (g) the Federal Housing Finance Board and any Federal Home Loan Bank.

3. Pursuant to Section 8(e)(7)(B) of the FDIA, 12 U.S.C. § 1818(e)(7)(B), the prohibitions of paragraphs 1 and 2 of this Order shall cease to apply with respect to a particular institution if VINCENT ELIAS obtains the prior written consent of both the OTS and the institution's "appropriate Federal financial institutions

regulatory agency," as defined in Section 8(e)(7)(D) of the FDIA, 12 U.S.C. § 1818(e)(7)(D).

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

5. Notice is hereby provided that a violation of this Order could subject VINCENT ELIAS to the penalties specified in Section 8(j) of the FDIA, 12 U.S.C. § 1818(j).

6. VINCENT ELIAS shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

7. The OTS does not intend to, and nothing in the Order shall be interpreted to limit, in any manner, the full scope of the prohibition prescribed by Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

8. This Order shall become effective on the date it is issued, as shown in the caption above.

THE OFFICE OF THRIFT SUPERVISION
By:



Ronald N. Karr
Regional Director
Central Regional Office