

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:

GUY M. MASSEY

Former Employee and
Institution-Affiliated Party
of Republic Federal Savings
and Loan Association,
Loudon, Tennessee

OTS Order No. CHI-94-35

Dated: December 22, 1994

ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, concludes that during 1987 through 1993, Guy M. Massey ("Massey"), former employee and institution-affiliated party of Republic Federal Savings and Loan Association, Loudon, Tennessee ("Republic"), violated 18 U.S.C. § 1344 in that he knowingly executed a scheme and artifice to defraud Republic between June 1988 and December 1993 in amounts totaling between \$67,357.71 and \$75,768.27.

WHEREAS, The OTS further concludes that: (1) Massey's conduct constituted an unsafe and unsound practice, a breach of Massey's fiduciary duty to Republic and further constituted a reckless disregard for the law and applicable regulations; (2) as a result of Massey's conduct, Republic suffered financial loss and Massey received financial gain or other benefit; and (3) the unsafe and unsound practice, breach of fiduciary duty, and violations of law and regulation involved personal dishonesty by

Massey, and demonstrated a willful and continuing disregard for the safety and soundness of Republic by Massey;

WHEREAS, Massey has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation") on 12.22.94, 1994;

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

WHEREAS, the Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue orders of prohibition where the respondent has consented to the issuance of the order.

NOW, THEREFORE, IT IS ORDERED that:

1. Massey is prohibited from further participation, in any manner, in the conduct of the affairs of Republic and any successor institution, holding company, subsidiary, and/or service corporation thereof.

2. Massey shall not hold any office in, or participate in any manner in the conduct of the affairs of any Federally regulated depository institution or any of the other entities that are described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of OTS (acting through its Director or an authorized representative thereof) and, the "appropriate Federal financial institutions regulatory agency"

1. All references to the United States Code in this Order of Prohibition are as amended.

for the Federally regulated depository institution which is involved. Due to the operation of Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6), conduct prohibited by this Order, without the said prior written approval of the OTS and the "appropriate Federal banking agency," also includes, without limitation:

(1) soliciting, procuring, transferring, attempting to transfer, voting, or the attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C.

§ 1818(e)(7)(A); and (2) voting for a director, or serving as an institution-affiliated party.

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

3. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued, as shown in the caption above.

4. All technical words or terms used in the Order, for which meanings are not specified or otherwise provided for by the provisions of the Order, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, FDIA, or the Home Owners' Loan Act ("HOLA"), or as such definition is amended after the execution of this Order, and any such technical words or terms used in the Order and undefined in said Code of Federal Regulations, FDIA, or HOLA, shall have meanings that accord with their best custom and usage in the savings and loan industry.

5. Massey shall promptly respond to any request from the
OTS for documents that the OTS reasonably requests to demonstrate
compliance with the Order.

6. The Order shall remain in effect until terminated,
modified or amended by the OTS.

The Office of Thrift Supervision
By:



RONALD N. KARR
Regional Director
Central Regional Office

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GUY M. MASSEY)
Former Employee and)
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of Republic Federal Savings)
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Loudon, Tennessee)

OTS Order No. CHI-94-35

Dated: December 22, 1994

STIPULATION AND CONSENT TO THE 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 Guy M. Massey ("Massey"), former employee and institution-affiliated party of Republic Federal Savings and Loan Association, Loudon, Tennessee ("Republic" or the "Institution") that the OTS is of the opinion that grounds exist to initiate administrative prohibition proceedings against Massey pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e);¹ and

WHEREAS, Massey desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, but admitting the statements and conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

1. All references to the United States Code in this Stipulation and Consent and the Entry of an Order of Prohibition are as amended.

1. Jurisdiction.

(a) Republic, at all times relevant hereto, 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 ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, Republic was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Massey, as a former employee of Republic, 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 six (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 OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, Massey is subject to the authority of the OTS to initiate and maintain prohibition proceedings against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

2. Massey 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.

3. 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, the Order shall be final, effective and fully

enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

4. Waivers. Massey waives the following:

(a) the right to be served with a written notice of the OTS's charges against him (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); and

(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.

5. Indemnification. Massey shall neither cause nor permit Republic (or any successor institution, holding company, subsidiary or service corporation 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, nor obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of Massey in connection with this action shall be returned to Republic (or the successor institution, holding company, subsidiary or service corporation thereof).

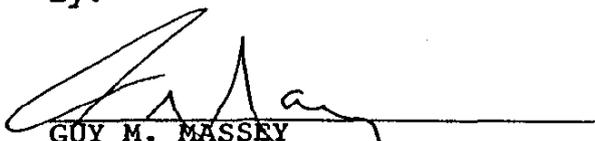
6. Other Government Actions Not Affected. Massey acknowledges and agrees that the consent to the entry of the Order is for the purpose of resolving this prohibition action only, and

does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Massey 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.

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

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

By:


GUY M. MASSEY

Accepted by:
Office of Thrift Supervision


RONALD N. KARR
Regional Director

Dated: 12-22-94

Dated: 12-22-94