

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of)

Theodore Waln)

FORMER DIRECTOR & PRESIDENT)

Leesburg Federal Savings and Loan)
Association)

Leesburg, Ohio)

OTS No. 4013)

Resolution No.: CIN 93-1

Dated: January 29, 1993

STIPULATION AND CONSENT TO THE ENTRY
OF A PROHIBITION ORDER

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Central Region, and Theodore Waln, former director and president of Leesburg Federal Savings and Loan Association, Leesburg, Ohio ("Leesburg") 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 prohibition proceeding against Theodore Waln pursuant to § 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e) (Supp. I 1989). Theodore Waln desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation. Therefore, without admitting the grounds set forth herein, Theodore Waln hereby stipulates and agrees to the following terms in consideration of the forbearance of OTS from initiating such administrative prohibition litigation against him on the grounds that Waln, without authorization of the board of directors, transferred institution funds into his personal federal income tax withholding account from 1987 to 1991 and received the

benefit therefrom; further, Waln, without the authorization of the board of directors, expended institution funds for his personal benefit (such as home furnishings and boat fees) from 1980 to 1992 in the total amount of approximately \$135,000.

2. Jurisdiction

(a) Leesburg, a Federal Savings and Loan Association is a "savings association" within the meaning of § 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933. Accordingly, it is an "insured depository institution" as that term is defined in § 3(c) of the FDIA, 12 U.S.C. § 1813(c) (Supp. I 1989).

(b) Theodore Waln, former director and president of Leesburg is an "institution-affiliated party" as defined by § 3(u) of the FDIA, 12 U.S.C. § 1813(u) (Supp. I 1989).

(c) Pursuant to § 3 of the FDIA, 12 U.S. C. §1813 (Supp. I 1989), the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association or its institution-affiliated parties. Therefore, Theodore Waln is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to § 8(e) of the FDIA, 12 U.S.C. § 1818(e) (Supp. I 1989).

3. Consent. Theodore Waln 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 under § 8(e) of the FDIA, 12 U.S.C. § 1818(e) (Supp. I 1989). Upon its issuance by the Regional Director for the Central Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of § 8(i) of the FDIA, 12 U.S.C. § 1818(i) (Supp. I 1989).

5. Waivers. Theodore Waln waives his right to a notice of intention to prohibit and the administrative hearing provided by § 8(e) of the FDIA, 12 U.S.C. § 1818(e) (Supp. I 1989), and further waives the right to seek judicial review of the Order, including any such right provided by § 8(h) of the FDIA, 12 U.S.C. § 1818(h) (Supp. I 1989) or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Regional Director for the Central Region, on behalf of the OTS, and Theodore Waln execute this Stipulation and Consent to the Entry of a Prohibition Order.

OFFICE OF THRIFT SUPERVISION

By: /S/
Ronald N. Karr
Regional Director
Central Region

 /S/
Theodore Waln

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Leesburg Federal Savings and Loan)
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OTS No. 4013)

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ORDER OF PROHIBITION

WHEREAS, Theodore Waln, has executed a Stipulation and Consent to Entry of a Prohibition Order ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the Central Region; and

WHEREAS, Theodore Waln, in the Stipulation has consented and agreed to the issuance of this Order of Prohibition ("Order") pursuant to § 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e) (Supp. I 1989).

NOW THEREFORE, IT IS ORDERED that:

1. Without the prior written approval of the Regional Director for the Central Region of OTS and, if appropriate, another Federal financial institutions regulatory agency, Theodore Waln, may not hold any office in, or participate in any manner in the conduct of the affairs of any institution(s) or other entity as set forth in § 8(e)(7)(A) of the

FDIA, 12 U.S.C. § 1818(e)(7)(A) (Supp. I 1989). Pursuant to § 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6) (Supp. I 1989), conduct prohibited by this Order includes, inter alia, the solicitation, transfer, or exercise of any voting rights with respect to any securities issued by any insured depository institution.

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

3. This Order is subject to the provisions of § 8(j) of the FDIA, 12 U.S.C. § 1818(j) (Supp. I 1989), and shall become effective on the date it is issued.

THE OFFICE OF THRIFT SUPERVISION

By:

/S/

Ronald N. Karr
Regional Director
Central Region