

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:

FIRSTBANC SAVINGS
ASSOCIATION OF TEXAS,

Missouri City, Texas.

Re: Order No. DAL-93-13

Dated: June 21, 1993

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, and FirstBanc Savings Association of Texas, Missouri City, Texas ("FIRSTBANC"), and Michael E. Casey ("CASEY"), Charles J. Marietta ("MARIETTA"), and S. J. Spacek ("SPACEK"), in their individual capacities, stipulate and agree as follows:

1. Consideration. The OTS is of the opinion that grounds exist to initiate administrative cease and desist proceedings against FIRSTBANC pursuant to Sections 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b). Without admitting or denying that such grounds exist, FIRSTBANC hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating any administrative litigation against FIRSTBANC and its directors, other than Michael E. Casey, with respect to matters concerning the FirstBanc Savings Association Employee Stock Ownership Plan and Trust ("ESOP"). A separate consent Order to Cease and Desist is additionally to be issued

contemporaneously by OTS against Michael E. Casey.

2. Jurisdiction.

(a) FIRSTBANC is a "savings association" within the meaning of Section 3 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, 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) Until August 9, 1989, the Federal Home Loan Bank Board ("FHLBB") was the regulatory agency with jurisdiction over FIRSTBANC and persons participating in the conduct of the affairs thereof pursuant to Section 5 of HOLA, 12 U.S.C. § 1464.

(c) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, as amended by Section 204 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), 12 U.S.C. § 1813(q), 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 FIRSTBANC and persons participating in the affairs thereof.

(d) Pursuant to Section 3(q) of the FDIA, as amended, the OTS is the "appropriate Federal banking agency" to maintain cease and desist proceedings against FIRSTBANC. FIRSTBANC and CASEY, MARIETTA, and SPACEK, are subject to the authority of the OTS to initiate and maintain cease and desist proceedings against

them, pursuant to Section 8(b) of the FDIC, 12 U.S.C. § 1818(b). CASEY, MARIETTA, and SPACEK, as directors of FIRSTBANC, are "institution-affiliated parties" as that term is defined by Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

3. Consent. FIRSTBANC and CASEY, MARIETTA, and SPACEK, in their individual capacities, consent to the issuance by the OTS of the Order to Cease and Desist ("Order"), a copy of which Order is attached hereto as Exhibit A, and further agree to comply with the terms of the Order upon issuance and stipulate that the Order complies with all requirements of law.

4. Finality. The Order is issued under Section 8(b) of the FDIA, 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director, 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. FIRSTBANC, and CASEY, MARIETTA, and SPACEK, in their individual capacities, waive their right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, 12 U.S.C. § 1818(b), and further waive any right to seek judicial review of the Order, including 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.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Regional Director for the Midwest Regional Office, and

FIRSTBANC, and CASEY, MARIETTA, and SPACEK, in their individual capacities, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

/S/
BY: Frederick R. Casteel
Midwest Regional Director

Date: 6-21-93

FIRSTBANC SAVINGS ASSOCIATION OF TEXAS, and MICHAEL E. CASEY,
CHARLES J. MARIETTA, and S. J. SPACEK, individually

/S/
J. R. Hardin, Chairman

/S/
Michael E. Casey, President &
Director and in his personal
capacity

/S/
Hazel B. Casey, Director

/S/
Joe A. Hubenak, Director

/S/
Charles J. Marietta, Director
and in his personal capacity

/S/
S. J. Spacek, Director and in
his personal capacity

/S/
Jodie E. Stavinoha, Director

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In the Matter of:

FIRSTBANC SAVINGS
ASSOCIATION OF TEXAS,
Missouri City, Texas.

Re: Order No. DAL-93-13

Dated: June 21, 1993

ORDER TO CEASE AND DESIST

WHEREAS, FirstBanc Savings Association of Texas ("FIRSTBANC") and Michael E. Casey ("CASEY"), Charles J. Marietta ("MARIETTA"), and S. J. Spacek ("SPACEK"), in their individual capacities, have executed a Stipulation and Consent to Issuance of Order to Cease and Desist ("Consent"), which is incorporated herein by reference, and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Midwest Regional Director ("Regional Director"); and

WHEREAS, FIRSTBANC, and CASEY, MARIETTA, and SPACEK, in their individual capacities, have consented and agreed in the Consent to the issuance of this Order to Cease and Desist ("Order");

NOW, THEREFORE, THE OTS ORDERS AS FOLLOWS:

1. Michael E. Casey, Charles J. Marietta, S. J. Spacek, and Hazel B. Casey shall not be indemnified by FIRSTBANC or by the FirstBanc Savings Association Employee Stock Ownership Plan and

Trust ("ESOP") for any legal fees or costs incurred in connection with the OTS investigation of the ESOP.

2. FIRSTBANC shall appoint an independent Trustee for the ESOP, which trustee shall accept said appointment and commence actually serving as ESOP Trustee within 60 days from the effective date of this Order. Such ESOP Trustee may not be a stockholder or have any other business relationship with FIRSTBANC. Such Trustee must have the prior written approval of OTS.

3. Charles J. Marietta, S. J. Spacek, and Hazel Casey shall not serve on FIRSTBANC's ESOP Administrative Committee.

4. It is acknowledged that loans ("BANK TRUST LOANS") were made to Michael E. Casey, Trustee, by Cypress National Bank on December 16, 1985, in the original principal sum of \$75,000, and by First National Bank of West University Place on December 13, 1985, in the original principal sum of \$244,000, to finance the purchase of FIRSTBANC stock, which loans have been renewed from time to time.

Except as provided in the next succeeding paragraph, FIRSTBANC's Board of Directors shall not adopt any resolutions nor shall FIRSTBANC otherwise take any action to obligate either FIRSTBANC or the ESOP to assume or pay, directly or indirectly, the BANK TRUST LOANS or any renewals or modifications of them.

OTS agrees to take no supervisory objection to the implementation of the Plan of ESOP Resolution, attached hereto as Exhibit 1. Such agreement, however, shall be expressly subject to the requirement that prior to its implementation, FIRSTBANC shall submit to the OTS evidence of the prior written approval of

implementation from both the United States Department of Labor and the Internal Revenue Service or comparable no action letters following full disclosure. FIRSTBANC shall provide the OTS with a copy of all documentation submitted to both the Labor Department and the Internal Revenue Service at such time as those documents are submitted to the respective agencies. The OTS's agreement to take no supervisory objection to the implementation of the attached Plan of ESOP Resolution shall terminate and not apply in the event that there is any significant or material revision to the Plan as specified on Exhibit 1.

5. CASEY, MARIETTA, and SPACEK, shall pay to the ESOP an amount equal to \$177,283 (One hundred seventy-seven thousand and two hundred eighty-three dollars), in accordance with the Plan of ESOP Resolution, attached hereto as Exhibit 1, by the earlier of September 30, 1993, or the date of implementation of the Plan of ESOP Resolution.

6. It is acknowledged that a separate Order to Cease and Desist has been entered by OTS against CASEY, which Order contains provisions at paragraph 6 for CASEY to indemnify the ESOP and FIRSTBANC. FIRSTBANC shall promptly notify CASEY of any claims, causes of action, proposed fines or penalties, or costs incurred for which CASEY could be obligated to indemnify FIRSTBANC or the ESOP. CASEY shall be entitled to participate in the defense of any such claims. Neither FIRSTBANC nor the ESOP shall settle any such claims or causes of action without first consulting with CASEY and informing him of any proposed settlement.

7. FIRSTBANC shall promptly respond to any request from OTS for information or documents that OTS requests to determine continued compliance with this Order.

8. This Order shall become effective on the date of its issuance by the Midwest Regional Director of the OTS.

9. This Order shall remain in effect until modified or terminated by the OTS.

THE OFFICE OF THRIFT SUPERVISION

By: /S/
Frederick R. Casteel
Midwest Regional Director

Date: 6-21-93