

**UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION  
DEPARTMENT OF THE TREASURY**

In The Matter Of: )  
 )  
Stephen T. Guthrie )  
 )  
Former Officer, )  
Director, and Institution- )  
Affiliated Party of: )  
 )  
First Savings of America, )  
Orland Park, Illinois )  
 )

Re: Resolution No. CHI-92-28

Dated: July 2, 1992

**STIPULATION AND CONSENT TO  
ISSUANCE OF ORDER OF PROHIBITION**

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Central Region, and Stephen T. Guthrie ("Guthrie"), a former director and officer of First Savings of America, Orland Park, Illinois, hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against Guthrie, pursuant to Section 8(e) of the Federal Deposit Insurance Act (the "FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, 103 Stat. 183 (Aug. 9, 1989), 12 U.S.C. § 1818(e), and the pre-FIRREA version of Section 407(g) of the National Housing Act, as amended ("NHA"), 12 U.S.C. § 1730(g). Guthrie desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation. Without admitting or denying that such grounds exist, Guthrie

hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating any administrative litigation against Guthrie.

2. Jurisdiction. The OTS is of the opinion that:

(a) First Savings of America, Orland Park, Illinois ("First Savings"), was a stockholder-owned, state chartered savings association organized under the laws of the State of Illinois.

(b) Until August 9, 1989, the accounts of First Savings were insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") pursuant to Section 403(b) of the NHA, 12 U.S.C. § 1726(b), by reason of which it was an "insured institution" within the meaning of the NHA, 12 U.S.C. § 1724.

(c) Until August 9, 1989, the Federal Home Loan Bank Board ("FHLBB"), as operating head of the FSLIC, was the regulatory agency with jurisdiction to maintain an enforcement proceeding against First Savings and persons participating in the conduct of its affairs, including Augustine, pursuant to Sections 403 and 407 of the NHA, 12 U.S.C. §§ 1726 and 1730.

(d) The OTS is the successor in interest to the FHLBB by virtue of Section 401(f) of the FIRREA, and Section 3 of the Home Owners' Loan Act ("HOLA"), as amended by Section 301 of the FIRREA, 12 U.S.C. § 1462a.

(e) As successor in interest to the FHLBB, the OTS, as the "appropriate federal banking agency," by and through its Director, has the authority to apply the remedies set forth in

Section 8(b) of the FDIA, as amended by the FIRREA, 12 U.S.C. § 1818(b), and Section 407(e) of the NHA, 12 U.S.C. § 1730(e).

(f) During the period from early April, 1985, through on or about May 31, 1985, Guthrie acted as a full-time consultant for First Savings Financial Corporation ("FSFC"), a wholly-owned subsidiary of First Savings. During the period from May 31, 1985 through December 12, 1986, Guthrie acted as President and Director of First Savings. During the period from May 31, 1985, through or about October, 1985, Guthrie acted as director of FSFC.

(g) At all times pertinent hereto, Guthrie was an officer and/or director of First Savings and participated in the conduct of the affairs of First Savings. Accordingly, Guthrie is subject to the jurisdiction of the OTS to maintain an enforcement proceeding against persons participating in the conduct of the affairs of First Savings. 12 U.S.C. § 1730(g); 12 U.S.C. § 1818(e); 12 U.S.C. § 1818(i)(3).

(h) The OTS alleges that Guthrie was aware that many of First Savings' largest loans were not supported by appraisals which conformed to regulations and Memorandum R41b of the FHLBB. The OTS further alleges that, despite his knowledge of these deficient practices, Guthrie, as a director of First Savings, voted to approve at least eight loans that were not supported by adequate appraisals. The OTS further alleges that, in voting to approve these loans without an adequate appraisal, Guthrie breached his fiduciary duties, engaged in unsafe or unsound

practices, and recklessly or knowingly violated federal and state regulations.

3. Consent. Guthrie consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"), a copy of which is attached hereto and incorporated as Exhibit A. 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 Section 8(e) FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director for the Central Region, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Sections 8(i) & 8(j) of the FDIA, as amended by FIRREA, 12 U.S.C. §§ 1818(i) & (j).

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

WHEREFORE, in consideration of the foregoing, the Regional Director for the Central Region, on behalf of the OTS, and Guthrie execute this Stipulation and Consent to Issuance of Order of Prohibition.



**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**  
**DEPARTMENT OF THE TREASURY**

In The Matter of:	)	
Stephen T. Guthrie	)	Re: Resolution No. <u>CHI-92-28</u>
Former Officer,	)	Dated: <u>July 2, 1992</u>
Director and Institution-	)	
Affiliated Party of:	)	
First Savings of America,	)	
Orland Park, Illinois	)	

**ORDER OF PROHIBITION**

WHEREAS, Stephen T. Guthrie ("Guthrie") has executed a Stipulation and Consent to Issuance of Order of Prohibition ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Central Region; and

WHEREAS, without admitting or denying that the grounds exist therefor, Guthrie has consented and agreed in the Stipulation to the issuance of this Order of Prohibition ("Order"), pursuant to Section 8(e) of the Federal Deposit Insurance Act (the "FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, 103 Stat. 183 (Aug. 9, 1989), 12 U.S.C. § 1818(e);

NOW THEREFORE, IT IS ORDERED that:

1. Guthrie is prohibited from further participation, in any manner, in the conduct of affairs of any institution(s) or other entity as set forth in Section 8(e)(7)(A) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e)(7)(A), hereinafter referred to as "Covered

Institution."

2. Without the prior written approval of the Regional Director for the Central Region of the OTS and, if appropriate, another federal financial institution regulatory agency, Guthrie may not act as a director, officer, employee or consultant for, or participate in any manner in the conduct of the affairs of any institution(s) or other entity as set forth in Section 8(e)(7)(A) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e)(7)(A). Pursuant to Section 8(e)(6) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e)(6), 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.

3. Nothing in this Order, however, prohibits Guthrie from the following activities, even though such activities may involve or relate to a Covered Institution:

(a) being a customer, as a depositor or borrower, of a Covered Institution; or

(b) owning a non-controlling interest in a Covered Institution.

Provided however, that activities outlined in paragraphs 3(a)-(b) above may not be performed in a manner that would make Guthrie an "institution-affiliated party" as that term is defined at Section 3(u) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(u).

4. From the effective date of this Order, Guthrie shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

