

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

FRANK J. LAMB)

A Former)
Senior Vice President of)
Bay Savings Bank)

West Palm Beach, Florida)
_____)

Resolution No.: ATL-92-67
Dated: July 10, 1992

STIPULATION AND CONSENT TO THE ENTRY
OF A PROHIBITION ORDER

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Southeast Region, and Frank J. Lamb, former Senior Vice President of Bay Savings Bank, West Palm Beach, Florida, OTS Docket No. 8281 ("Bay Savings"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon its investigative findings, is of the opinion that grounds exist to initiate an administrative prohibition proceeding against Frank J. Lamb, pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e) (1988 & Supp. I 1989). The investigative findings in support of the OTS's belief include the following:

(a) In March or April, 1989, a Vice President of Fourth Executive Corporation, requested financing from Bay Savings, through Mr. Lamb, for a Fourth Executive Corporation project known as the Congress Avenue property.

(b) On or about June 19, 1989, the Fourth Executive Vice President executed a check in the amount of \$5,500, made payable to Mr. Lamb.

(c) On or about June 22, 1989, three days after receipt of the Fourth Executive Vice President's check for \$5,500, Mr. Lamb signed a commitment letter obligating Bay Savings to provide interim financing in the amount of \$1.5 million to Fourth Executive Corporation for the acquisition and renovation of an office building in West Palm Beach, Florida. Said commitment was contingent upon obtaining acceptable permanent financing from a source other than Bay Savings.

(d) On or about June 26, 1989, Mr. Lamb, on behalf of Bay Savings, participated in the approval of a loan for Fourth Executive Corporation in the amount of \$1.5 million. A condition to the closing of the loan was the review and approval by Mr. Lamb of the permanent loan commitment letter.

(e) On or about June 30, 1989, Fourth Executive Corporation executed a promissory note in favor of Bay Savings in the principal amount of \$1.5 million.

(f) The initial proceeds of the loan to Fourth Executive Corporation were dispersed at closing on or about July 7, 1989.

(g) Among the loan proceeds dispersed was a check in the amount of \$14,000 made payable to Next Step Brokerage, Inc., a corporation owned by Mr. Lamb. Said amount is not listed on the closing statements for the Fourth Executive Corporation loan.

(h) At the time the Fourth Executive Corporation closed and funds were dispersed, no written commitment had been obtained for permanent financing, contrary to the conditions stated on the loan approval signed by Mr. Lamb.

(i) The payment to Mr. Lamb's corporation of \$14,000, when coupled with the Fourth Executive Vice President's \$5,500 check, brings the total sum that Mr. Lamb received, directly or indirectly, for his involvement in the Fourth Executive Corporation transaction to \$19,500.

(j) Mr. Lamb did not disclose the payments he received to the Board of Directors of Bay Savings, who later ratified the \$1.5 million loan to Fourth Executive Corporation on August 23, 1989.

(k) As a result of these actions, Mr. Lamb engaged or participated in an unsafe or unsound practice. By reason of the foregoing unsafe or unsound practice, that provided financial gain to Mr. Lamb, Bay Savings has suffered substantial financial loss or other damage. Further, such

unsafe and unsound practices demonstrate a willful and continuing disregard by Mr. Lamb for the safety or soundness of Bay Savings.

Frank J. Lamb desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding and, without admitting or denying that such grounds exist and without agreeing or disagreeing with the OTS' investigative findings, hereby stipulates and agrees to the following terms in consideration of the forbearance of the OTS from initiating such administrative prohibition proceeding against Frank J. Lamb.

2. Jurisdiction.

(a) Bay Savings is a "savings association" within the meaning of Section 3(b)(1) of the FDIA, 12 U.S.C. § 1813(b)(1). The Institution is an "insured depository institution" as that term is defined in Section 3(c)(2) of the FDIA, 12 U.S.C. § 1813(c)(2).

(b) Frank J. Lamb, as a Senior Vice President of Bay Savings, was an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) The Director of OTS is the "appropriate Federal banking agency" to maintain an administrative proceeding against such a savings association or its institution-affiliated parties, pursuant to Section 3(q)(4) of the FDIA, 12 U.S.C. § 1813(q)(4). Therefore, Frank J.

Lamb 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).

3. Consent. Frank J. Lamb 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 Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). 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. Frank J. Lamb waives his right to a notice of intention to prohibit and the administrative hearing provided by Section 8(e) of the FDIA, 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, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

Further, Frank J. Lamb acknowledges and agrees that his consent to the entry of the Order does not compromise, settle, dismiss, resolve, preclude or in any way affect any civil, criminal or administrative actions including, but not limited to, an action for the payment of restitution against Frank J. Lamb that arise pursuant to this action or

otherwise, and that may be or have been brought by the OTS, the Resolution Trust Corporation or any other governmental entity.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Regional Director for the Southeast Region, on behalf of the OTS, and Frank J. Lamb execute this Stipulation and Consent to the Entry of A Prohibition Order.

OFFICE OF THRIFT SUPERVISION

By:

/S/

John E. Ryan
Regional Director
Southeast Region

/S/

Frank J. Lamb

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ORDER OF PROHIBITION

WHEREAS, Frank J. Lamb has executed a Stipulation and Consent to the 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 Southeast Region; and

WHEREAS, Frank J. Lamb in the Stipulation has consented and agreed to the issuance of this Order of Prohibition ("Order"), pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e) (1988 Supp. I 1989).

NOW THEREFORE, IT IS ORDERED that:

1. Frank J. Lamb is prohibited from further participation, in any manner, in the conduct of the affairs

