

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

In the Matter of)

WILLIAM C. GLADDEN,)

Vice President and)
Former Director, of)

Charter Federal Savings and)
Loan Association,)
West Point, Georgia.)
_____)

Re: ATL-92-80

Dated: October 19, 1992

STIPULATION AND CONSENT TO
ISSUANCE OF ORDER TO CEASE AND DESIST

William C. Gladden ("Gladden"), Vice President and Former Director of Charter Federal Savings and Loan Association, West Point, Georgia ("Charter"), hereby submits this Stipulation and Consent to Issuance of Order to Cease and Desist with Restitution ("Consent") to the Office of Thrift Supervision of the United States Department of the Treasury ("OTS") for the purposes of settlement in consideration of OTS's forbearance from initiating administrative proceedings on the matters covered in the accompanying Order to Cease and Desist ("Order").

OTS, on the basis of current information, is of the opinion, as set forth in the Order, that grounds exist to initiate an administrative cease and desist proceeding against Gladden pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (12 U.S.C. § 1818(b) (1988 & Supp. I 1989)). Without admitting or denying that such grounds exist, except those allegations set forth in paragraph 1 below, which are admitted, Gladden consents to the entry of the attached Order pursuant to Section 8(b) of the FDIA, as amended by FIRREA (12 U.S.C. § 1818(b) (1988 & Supp. I 1989)).

1. Gladden admits the jurisdiction of OTS over him and over the subject matter of this action pursuant to Section 8(b) of the FDIA, as amended by FIRREA (12 U.S.C. § 1818(b) (1988 & Supp. I 1989)), and admits that he is an "institution-affiliated party" of Charter as that term is defined in Section 3(u) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(u) (1988 & Supp. I 1989)).

2. Gladden consents to the issuance of the accompanying Order, agrees to comply with its terms upon issuance, and stipulates that the Order complies with all the requirements of law. Gladden neither agrees or disagrees with the facts stated in the accompanying Order.

3. Gladden while neither admitting nor denying he has violated any laws or regulations or engaged in any unsafe or unsound practices, and wishing to settle this matter with OTS, acknowledges and states that he enters into this Consent willingly and without coercion or promises of any kind from OTS or any officer, attorney, agent or employee thereof.

4. Gladden hereby waives his rights to a hearing, all post-hearing proceedings, and the entry of findings of fact and conclusions of law under the Administrative Procedure Act (5 U.S.C. §§ 554-557); Sections 8(b) of the FDIA, as amended by FIRREA (12 U.S.C. § 1818(b) (1988 & Supp. I 1989)); and OTS Rules of Practice and Procedure in Adjudicatory Proceedings (12 C.F.R. § 509, et seq. (1991)); or any other applicable provision of law.

5. Gladden hereby waives his right to appeal the Order pursuant to Section 8(h) of the FDIA, as amended by FIRREA (12 U.S.C. § 1818(h) (1988 & Supp. I 1989)), or any other applicable provision of law.

6. Gladden agrees to cooperate with OTS by providing truthful and complete information, in conformity with subpoena or administrative process issued by OTS, concerning matters relating to OTS's investigation of Charter's attempted Voluntary

Supervisory Conversion ("VSC") -- including, but not limited to, cooperation in any subsequent administrative enforcement action concerning Charter's attempted VSC.

7. Gladden agrees that this Stipulation and Consent, the Order and the payment by him of any monies or providing any other financial relief as contemplated by the Order, does not compromise, settle, dismiss, resolve, or in any way affect any civil actions, or charges against, or liability of Gladden that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation or any other governmental entity other than OTS. This action resolves enforcement matters involving OTS under 12 U.S.C. § 1818: arising in connection with the OTS's formal investigation of Charter, Resolution No. ENF 90-2, dated November 27, 1990, and all matters known to OTS as of the date of this stipulation.

WHEREFORE, in consideration of the foregoing, Gladden executes this Stipulation and Consent to Issuance of Order to Cease and Desist.

Dated: 10-7-92

By: /S/
William C. Gladden

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Vice President and)
Former Director, of)

Dated: October 19, 1992

Charter Federal Savings and)
Loan Association,)
West Point, Georgia.)

ORDER TO CEASE AND DESIST

WHEREAS, William C. Gladden ("Gladden"), Vice President and Former Director of Charter Federal Savings and Loan Association, West Point, Georgia ("Charter"), has engaged in the following conduct:

(1) During the period of at least 1988 through December 1990, Gladden was involved in causing Charter to pursue a Voluntary Supervisory Conversion ("VSC").

(2) Had Charter's VSC been approved, various Charter directors and officers ("insiders"), including Gladden, stood to benefit immensely from the VSC, as they stood to purchase a large percentage of Charter's stock.

(3) In August 1989, the Federal Home Loan Bank Board ("FHLBB") denied Charter's VSC, as it found, among other things, that the VSC was not in the best interests of Charter, Charter's members, or the deposit insurance fund. In October 1990, the FHLBB's denial of the VSC was upheld by the U.S. Court of Appeals for the 11th Circuit.

(4) During the period of at least 1988 through December 1990, Charter incurred at least \$835,000 in conversion related expenses.

(5) Despite the fact that Charter's insiders, including Gladden, stood to benefit immensely from the VSC, they paid none of the expenses incurred by Charter in pursuit of the conversion.

WHEREAS, the Office of Thrift Supervision ("OTS") is of the opinion that as a result of the aforementioned actions, Gladden has violated laws and regulations, or engaged in unsafe or unsound practices, and that in connection with such violations or practices was unjustly enriched, or such violations or practices involved a reckless disregard for the law or any applicable regulation or prior order of OTS; and

WHEREAS, Gladden has executed a Stipulation and Consent to the Issuance of Order to Cease and Desist with Restitution, which

is incorporated herein by reference ("Stipulation") and is accepted and approved by the OTS, acting through its Southeast Regional Director; and

WHEREAS, Gladden in the Stipulation has consented and agreed to the issuance of this Order to Cease and Desist with Restitution ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (12 U.S.C. § 1818(b)).

NOW THEREFORE, IT IS ORDERED that Gladden, as an officer or director of a Federally insured depository institution, shall not:

(1) Vote or participate in any matter or transaction in which Gladden has a personal interest or may experience a direct or indirect benefit, except that:

(a) when a matter or transaction requires board approval and other members of the board also have personal interests or may experience direct or indirect benefits, such that there is no quorum without Gladden's participation, then, with the approval of the Regional Director of OTS (or if the institution is not regulated by OTS, then, with the approval of a similarly situated senior official of the appropriate Federal banking agency), Gladden may vote or participate in the matter or transaction,

provided he fulfills his fiduciary obligations to act in the best interests of the institution; and

(b) Should Gladden become a director of a Federally insured depository institution, any authority that Gladden would have to vote on the amount of directors' fees, under applicable banking law, is not intended to be limited by this paragraph.

(2) In connection with any matter or transaction subject to subparagraph (1), fail to make full disclosure of the existence of Gladden's interest and its nature and extent, and of the facts known to Gladden as to the matter or transaction under consideration.

IT IS FURTHER ORDERED that Gladden shall take affirmative action to correct the conditions resulting from Charter's pursuit of the VSC by making restitution for his pro rata share of certain conversion related expenses. Within thirty (30) days of the entry of this Order, Gladden shall pay the amount of \$25,919 as payment of the aforementioned restitution. Payment of the \$25,919 figure shall be made accordingly:

(1) Payment of \$23,919 shall be made to:

Charter Federal Savings and
Loan Association
c/o John E. Ryan
Regional Director
Office of Thrift Supervision
1475 Peachtree Street, N.E.
Atlanta, Georgia 30348-5217

and;

(2) Payment of \$2,000 shall be made to:

Office of Thrift Supervision
Office of Enforcement
c/o Therese D. Pritchard
Deputy Chief Counsel, Enforcement
1700 G Street, N.W.
Washington, D.C. 20552

IT IS FURTHER ORDERED that all technical words or terms used in this Order, for which meanings are not specified or otherwise provided by the provisions of this Order shall, insofar as applicable, have meaning as defined in the Code of Federal Regulations, Title 12, Chapter V, or as defined in FIRREA, FDIA, or the Home Owners' Loan Act ("HOLA"), and any such words or terms undefined in the foregoing shall have meanings that accord with the best customs and usage in the thrift industry.

By:

/S/

John E. Ryan
Southeast Regional Director
Office of Thrift Supervision