

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
Donald H. Bell, an)
Institution-Affiliated Party)
)
and)
)
Faith N. Bell, an)
Institution-Affiliated Party)
)
of Security Savings and Loan)
Association of Garden City)
Garden City, Kansas)

Resolution No.: DAL-91-23
Dated: May 14, 1991

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 Donald H. Bell and Faith N. Bell, 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 cease and desist proceeding against Donald H. Bell and Faith N. Bell 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.S. §1818(b) (Law. Co-op. Supp. 1990). Donald H. Bell and Faith N. Bell desire to cooperate with the OTS to avoid the time and expense of such administrative litigation, and without admitting or denying that such grounds

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exist, hereby stipulate and agree to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease-and-desist litigation against them with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) Donald H. Bell, as an officer and director of Security Savings and Loan Association of Garden City, Garden City, Kansas ("Security Savings"), is an "institution-affiliated party" within the meaning of Section 3(u) of the Federal Deposit Insurance Act ("FDIA"), as amended by the FIRREA, 12 U.S.C.S. Section 1813(u) (Law. Co-op. Supp. 1990).

(b) Faith N. Bell, as a director of Security Savings and Loan Association of Garden City, Garden City, Kansas ("Security Savings"), is an "institution-affiliated party" within the meaning of Section 3(u) of the Federal Deposit Insurance Act ("FDIA"), as amended by the FIRREA, 12 U.S.C.S. Section 1813(u) (Law. Co-op. Supp. 1990).

(c) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against a savings association or its institution-affiliated parties. Therefore, Donald H. Bell and Faith N. Bell are subject to the authority of the OTS to initiate and maintain a cease-and-desist proceeding against them pursuant to Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1818(b) (Law. Co-op. Supp. 1990).

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3. Consent. Donald H. Bell and Faith N. Bell consent to the issuance by the OTS of the Order. They 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, as amended by FIRREA, 12 U.S.C.S. §1818(b) (Law. Co-op. Supp. 1990). Upon its issuance by the Regional Director for the Midwest Regional Office, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1818(i) (Law. Co-op. Supp. 1990).

5. Waivers. Donald H. Bell and Faith N. Bell waive their right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C.S. §1818(b) (Law. Co-op. Supp. 1990), and further waive any 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.S. §1818(h) (Law. Co-op. Supp. 1990), 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 Midwest Regional Office, on behalf of the OTS, Donald H. Bell, and Faith N. Bell execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

DONALD H. BELL

By: _____

/S/

Billy C. Wood
Regional Director
Midwest Regional Office

/S/

FAITH N. BELL

/S/

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ORDER TO CEASE AND DESIST

WHEREAS, Donald H. Bell and Faith N. Bell have executed a Stipulation and Consent to Issuance of Order to Cease and Desist ("Stipulation") that is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Midwest Regional Office, and is incorporated herein by reference; and

WHEREAS, Donald H. Bell, as an officer and director of Security Savings and Loan Association of Garden City, Garden City, Kansas ("Security Savings"), is an "institution-affiliated party" within the meaning of Section 3(u) 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.S. Section 1813(u) (Law. Co-op. Supp. 1990); and

WHEREAS, Faith N. Bell, as a director of Security Savings and Loan Association of Garden City, Garden City, Kansas ("Security Savings"), is an "institution-affiliated party" within the meaning of Section 3(u) 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.S. Section 1813(u) (Law. Co-op. Supp. 1990); and

WHEREAS, Donald H. Bell and Faith N. Bell, in their Stipulation, have consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to §8(b) of the Federal Deposit Insurance Act ("FDIA"), as amended by FIRREA, 12 U.S.C.S. §1818(b) (Law. Co-op. Supp. 1990);

NOW, THEREFORE, IT IS ORDERED that Donald H. Bell and Faith N. Bell shall cease and desist from any violation of, or the aiding and abetting of any violation of:

- a. Section 563.37(c) of the Rules and Regulations of the Office of Thrift Supervision ("OTS Regulations"), 12 C.F.R. Section 563.37(c) (1990);
- b. Section 563.41(c)(1) of the OTS Regulations, 12 C.F.R. Section 563.41(c)(1) (1990);
- c. Section 563.43(c)(5) of the OTS Regulations, 12 C.F.R. Section 563.43(c)(5) (1990);
- d. Section 571.7 of the OTS Regulations, 12 C.F.R. Section 571.7 (1990);

- e. Section 571.21 of the OTS Regulations, 12 C.F.R. Section 571.21 (1990);
- f. Section 23A(c)(1)(D) of the Federal Reserve Act, 12 U.S.C.S. Section 371c(c)(1)(D) (Law. Co-op. Supp. 1990); and
- g. Section 23B(a)(1)(A) of the Federal Reserve Act, 12 U.S.C.S. Section 371c-1 (a)(1)(A) (Law. Co-op. Supp. 1990).

IT IS HEREBY FURTHER ORDERED that:

I. DEFINITIONS

1. All technical words or terms used in this Order, for which meanings are not specified or otherwise provided for by the provisions of this Order, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, FDIA, or the Home Owners' Loan Act ("HOLA"), or as such definition is amended after the execution of this Order, and any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, FDIA, or HOLA, shall have meanings that accord with their best custom and usage in the savings and loan industry.

II. AFFILIATED TRANSACTIONS AND CONFLICTS OF INTEREST

2. Donald H. Bell and Faith N. Bell (the "Bells") shall indemnify and reimburse Security Savings and Security Service, Inc., from any loss or risk of loss, and any expense incurred (i.e., legal fees, title fees, transfer fees, closing costs,

etc.), that results from the ownership of the Leawood Mission Valley real property by Security Service, Inc., and shall further indemnify and reimburse Security Savings and Security Service, Inc., from any loss or risk of loss and any expense incurred that results from the transfer of the Leawood Mission Valley real property to Bell Development, Inc. Within ten (10) days from the date of issuance of this Order, the Bells shall execute and deliver the Indemnification and Reimbursement Agreement attached hereto as Exhibit A and incorporated herein by this reference.

3. The Bells shall contribute an additional \$150,000 in capital to Security Savings through Brittany Savings Corporation. This capital contribution shall be made in increments of \$50,000, annually. Each \$50,000 increment shall be infused into Security Savings no later than June 30, 1992, June 30, 1993, and June 30, 1994, respectively; provided, however, the capital contribution obligation set forth in this paragraph three (3) shall terminate should the Bells' common stock ownership interest in Security Savings fall below ten (10) percent of the then total outstanding shares. The terms and conditions of this capital contribution shall be in a form acceptable to the Regional Director.

4. The terms and provisions of this Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

5. This Order shall remain in effect until terminated by the OTS.

OFFICE OF THRIFT SUPERVISION

/S/

Billy C. Wood
Regional Director
Midwest Regional Office