

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

First Savings Bank,)
A Federal Savings Bank)
Arlington, Texas)

Re: Resolution No. DAL-91-112

Dated: August 13, 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 of OTS, Dallas, Texas and First Savings Bank, A Federal Savings Bank, Arlington, Texas ("First Savings Bank"), stipulate and agree as follows:

1. Consideration.

The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against First Savings Bank pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b) (1988 & Supp. I 1989), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"). First Savings Bank desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease-and-desist litigation against First Savings Bank with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

- (a) First Savings Bank is a "savings association" within the meaning of Section 3(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C. § 1462(4) (Supp. I 1989). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(c)).
- (b) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the Director of OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such a savings association. Therefore, First Savings Bank is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against it pursuant to Section

8(b) of the FDIA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989).

3. Consent.

First Savings Bank consents to the issuance by the OTS of the Order. It further agrees to comply with the terms of the Order upon issuance and stipulates 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) (1988 & Supp. I 1989). Upon its issuance by the Regional Director for the Midwest Regional Office, OTS, Dallas, Texas, 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) (1988 & Supp. I 1989).

5. Waivers.

First Savings Bank waives its right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989), and further waives 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) (1988 & Supp. I 1989), 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, OTS, Dallas, Texas and First Savings Bank, by a majority of its directors, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

FIRST SAVINGS BANK, A FEDERAL
SAVINGS BANK
ARLINGTON, TEXAS

By:

/S/
BILLY WOOD
REGIONAL DIRECTOR
MIDWEST REGIONAL OFFICE
DALLAS, TEXAS

BY A MAJORITY OF ITS DIRECTORS

/S/

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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
First Savings Bank, A Federal)
Savings Bank)
Arlington, Texas)

Resolution No. DAL-91-112

Dated: August 13, 1991

ORDER TO CEASE AND DESIST

WHEREAS, First Savings Bank, A Federal Savings Bank, Arlington, Texas ("Institution"), through its board of directors, has executed a Stipulation and Consent to Issuance of Order to Cease and Desist, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Midwest Regional Office in Dallas Texas; and

WHEREAS, the Institution, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(b) (1988 & Supp. I 1989), as amended by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA").

NOW THEREFORE, IT IS ORDERED that the Institution and its directors, officers, employees, agents and service corporations shall cease and desist from any violation of, or the aiding and abetting of any violation of: 12 C.F.R. §§ 202.9, 226.18, 226.22, 226.25, 528.6, 528.7, 563.177, and 24 C.F.R. § 3500.6 and 7.

IT IS FURTHER ORDERED that:

CONSUMER COMPLIANCE PROGRAM

1. (a) Within 90 days after the effective date of this Order, the board of directors shall establish and adopt a program to ensure compliance ("Compliance Program") with the applicable consumer and public-interest related laws and regulations including, but not limited to, the Truth in Lending Act, the Equal Credit Opportunity Act, Fair Credit Reporting Act, Real Estate Settlement Procedures Act, Equal Employment Opportunity Act, Community Reinvestment Act, and the Bank Secrecy Act.
- (b) The Compliance Program shall provide for written policies and procedures that set forth the requirements of the applicable laws and regulations as well as incorporating the OTS regulatory guidelines and which, at a minimum, includes:

- (i) a designated individual(s) (compliance officer(s)) to coordinate and monitor the program;
 - (ii) internal control;
 - (iii) independent testing of compliance;
 - (iv) training;
 - (v) any other specific requirements of the applicable laws and regulations.
- (c) Within 30 days after the effective date of this Order, the board of directors shall designate a compliance officer qualified to coordinate and monitor the program.

GENERAL PROVISIONS

- 2. The board of directors shall take all necessary steps to ensure that the Institution complies with the requirements of this Order.
- 3. All technical words or terms used in this Order, for which meanings are not specified or otherwise provided in this Order, shall insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, and any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, shall have meanings that accord with the best custom and usage in the savings and loan industry.
- 4. Any request for modification of this Order must be submitted in writing to the Regional Director or his designee and the Regional Director may, in writing, at his sole discretion, modify or suspend the requirements of this Order.

THE OFFICE OF THRIFT SUPERVISION

BY _____ /S/ _____

Billy C. Wood
Regional Director
Midwest Regional Office
Dallas, Texas