

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

JAMES T. BRAYE,)

A Former)
President and Chairman of)
the Board of Directors of)

Tuskegee Federal Savings)
and Loan Association)

Tuskegee, Alabama)
_____)

Re: Resolution No. ATL-91-45
Dated: August 26, 1991

STIPULATION AND CONSENT TO
ISSUANCE OF ORDER OF PROHIBITION AND RESTITUTION

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Southeast Region, and James T. Braye, former President and Chairman of the Board of Directors of Tuskegee Federal Savings and Loan Association, Tuskegee, Alabama, OTS Docket No. 4793 ("Tuskegee") hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information derived from the exercise of its supervisory and regulatory powers, is of the opinion that grounds exist to initiate an administrative proceeding against James T. Braye pursuant to Sections 8(e) and 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §§ 1818(e) and (b). The grounds include violations of OTS regulations found at 12 C.F.R. §§ 563.170,

563c.10(b), 563.180(b), 552.11(a), 563.93, and 215.4; unsafe and unsound practices, and breach of fiduciary duty, which resulted in loss to Tuskegee and/or benefit to James T. Braye, and which demonstrated a continuing and willful disregard for the safety and soundness of Tuskegee by James T. Braye. James T. Braye 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, hereby stipulates and agrees to the following terms in consideration of the forbearance of OTS from initiating such administrative proceeding against him.

2. Jurisdiction.

(a) Tuskegee is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933 ("HOLA"). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) James T. Braye, as President and Chairman of the Board of Directors of Tuskegee was an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3 of the FDIA, the OTS is the "appropriate Federal banking agency" to maintain an administrative proceeding against such a savings association or its institution-affiliated parties. Therefore, James T. Braye is subject to the authority of the OTS to initiate and maintain

an administrative proceeding against him pursuant to Sections 8(e) and 8(b) of the FDIA, 12 U.S.C. §§ 1818(e) and (b).

3. Consent. James T. Braye consents to the issuance by the OTS of the accompanying Order of Prohibition and Restitution ("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 Sections 8(e) and (b) of the FDIA, 12 U.S.C. §§ 1818(e) and (b). 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. James T. Braye 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 a notice of intention to seek restitution and the administrative hearing provided by Section 8(b) of the FDIA, 12 U.S.C. § 1818(b), 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.

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 James T. Braye execute this Stipulation and Consent to Issuance of Order of Prohibition and Restitution.

OFFICE OF THRIFT SUPERVISION

By: /S/ /S/
 John E. Ryan / / James T. Braye
 Regional Director
 Southeast Region

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Re: Resolution No. ATL-91-45
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ORDER OF PROHIBITION AND RESTITUTION

WHEREAS, James T. Braye has executed a Stipulation and Consent to Issuance of Order of Prohibition and Restitution ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the Southeast Region; and

WHEREAS, James T. Braye in the Stipulation has consented and agreed to the issuance of this Order of Prohibition and Restitution ("Order") pursuant to Sections 8(e) and 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §§ 1818(e)(7)(A) and 1818(b)(6)(A)(i).

NOW THEREFORE, IT IS ORDERED that:

1. James T. Braye is prohibited from further participation, in any manner, in the conduct of the affairs of Tuskegee Federal Savings and Loan Association, Tuskegee, Alabama ("Tuskegee") its

holding company(ies), or service corporation(s).

2. Without the prior written approval of the Regional Director for the Southeast Region and, if appropriate, another Federal financial institutions regulatory agency, James T. Braye may not hold any office in, 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, 12 U.S.C. § 1818(e)(7)(A). Pursuant to Section 8(e)(6) of the FDIA, 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. Within 60 days of the effective date of this Order, James T. Braye shall make restitution to Tuskegee of \$116.34, the amount of unjust enrichment received by him as a result of the preferred interest rate paid on the \$5,000 loan he received from Tuskegee, on August 13, 1989.

4. The Stipulation is made a part hereof and is incorporated herein by this reference.

5. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued.

THE OFFICE OF THRIFT SUPERVISION

By: _____

John E. Ryan
Regional Director
Southeast Region