

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of:

CLARENCE KEELS, Former
Advisory Director and a Person
Participating in the Conduct
the Affairs of Davy Crockett
Federal Savings Bank,
Crockett, Texas

RE: Resolution No. DAL-91-194

DATED: November 5, 1991

STIPULATION AND CONSENT TO
ISSUANCE OF ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Midwest Regional Office, and Clarence Keels ("Keels"), former advisory director and a person participating in the affairs of Davy Crockett Federal Savings Bank, Crockett, Texas (the "Institution"), 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 prohibition proceeding against Keels pursuant to Section 8(e) 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") (to be codified at 12 U.S.C. § 1818(e)). Keels desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation. Without admitting or denying that such grounds exist, Keels hereby stipulates and agrees to the following terms in consideration of: (a) the forbearance of OTS from

initiating such administrative prohibition litigation against Keels; and (b) the agreement by the OTS to refrain from seeking the issuance of additional enforcement orders against Keels with respect to any matters (i) reported or otherwise addressed in the OTS Report of Examination of the Institution for the examination commenced April 16, 1990, or (ii) discovered by the OTS as a result of its investigative proceeding, commenced pursuant to OTS Resolution No. DAL-91-14, dated March 11, 1991.

2. Jurisdiction. The OTS is of the opinion that:

(a) The Institution is a "savings association" within the meaning of Section 3(b) of the FDIA (12 U.S.C. § 1813(b)) and Section 2(4) of the Home Owners' Loan Act of 1933, as amended by Section 301 of FIRREA (to be codified at 12 U.S.C. § 1462(4)). 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) Until August 9, 1989, the accounts of the Institution were insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") pursuant to Section 403(b) of the National Housing Act of 1934 ("NHA"), 12 U.S.C. § 1726(b), by reason of which it was an "insured institution" within the meaning of the NHA.

(c) As of August 9, 1989, pursuant to the provisions of FIRREA, the insurance of the accounts of the Institution was transferred to the Federal Deposit Insurance Corporation.

(d) Until August 9, 1989, the Federal Home Loan Bank Board ("FHLBB"), as operating head of the FSLIC, was the regulatory agency with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof, including Keels, pursuant to Section 5 of the HOLA, 12 U.S.C. § 1464.

(e) As of August 9, 1989, pursuant to Section 3(q) of the FDIA, as amended by Section 204 of the FIRREA (to be codified at 12 U.S.C. § 1813(q)), the OTS succeeded to the interests of the FHLBB with respect to the supervision and regulation of all savings associations, and thus became the "appropriate Federal banking agency" with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof.

(f) The Director of the OTS has the authority to bring an administrative prohibition proceedings against Keels pursuant to Section 5(d)(1)(A) of the HOLA, as amended by Section 301 of the FIRREA (to be codified at 12 U.S.C. § 1464(d)(1)(A)), and Section 8 of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. § 1818).

(g) Keels was an advisory director of the Institution from approximately July 1987 to March 1990, and from January 31, 1988 until on or about March 31, 1990, received advisory director fees of \$100 per month, during which time he was not properly appointed as an advisory director in accordance with the provisions of 12 C.F.R. § 545.123.

(h) Keels was at all times relevant to the allegations set forth herein, an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(u)), and therefore is subject to the OTS's authority to maintain prohibition proceedings.

3. Consent. Keels 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, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)). Upon its issuance by the Regional Director for the Midwest Regional Office, 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 (to be codified at 12 U.S.C. § 1818(i)).

5. Waivers. Keels waives his right to a notice of intention to prohibit and the administrative hearing provided by Section 8(e) of the FDIA, as amended by FIRREA (to be codified at 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, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(h)), or otherwise to challenge the validity of the Order.

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RE: Resolution No. DAL-91-194

DATED: November 5, 1991

ORDER OF PROHIBITION

WHEREAS, Clarence Keels, ("Keels") has executed a Stipulation and Consent to Issuance of Order of Prohibition ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the Midwest Regional Office; and

WHEREAS, Keels 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"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, 103 Stat. 183;

NOW THEREFORE, IT IS ORDERED that:

1. Keels is prohibited from further participation, in any manner, in the conduct of the affairs of Davy Crockett Federal Savings Bank, Crockett, Texas and its service corporations.
2. Without the prior written approval of the Regional Director for the Midwest Regional Office and, if appropriate, another

federal financial institutions regulatory agency, Keels 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, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)(7)(A)). Pursuant to Section 8(e)(6) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)(6)), conduct prohibited by this Order includes, inter alia, the solicitation, the transfer or the exercise of any voting rights with respect to any securities issued by any insured depository institution.

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

4. This Order is subject to the provisions of Section 8(j) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(j)), and shall become effective on the date it is issued.

OFFICE OF THRIFT SUPERVISION

By: _____ /S/
Billy C. Wood
Regional Director
Midwest Regional Office