

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of)

JOHN B. GILREATH AND)

ELKE S. GILREATH)

Shareholders of)

Guaranty Federal Savings Bank)

Clarksville, Tennessee)

Resolution No.: CIN 90-11

Dated: September 12, 1990

STIPULATION AND CONSENT TO ISSUANCE OF ORDER
TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its District Director for the Cincinnati District Office, and John B. Gilreath and Elke S. Gilreath ("Gilreath"), shareholders of Guaranty Federal Savings Bank, Clarksville, Tennessee ("Guaranty") 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 the Gilreaths 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") (to be codified at 12 U.S.C. § 1818(b)). The Gilreaths desire 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 stipulate and agree to the following terms in consideration of the forbearance by the OTS from initiating such

administrative cease-and-desist litigation against the Gilreaths with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) The Gilreaths are institution-affiliated parties within the meaning of Section 3 of the FDIA as amended by FIRREA, and Section 2 of the Home Owners' Loan Act, as amended by FIRREA.

(b) Pursuant to section 3 of the FDIA, as amended by FIRREA, the OTS is the "appropriate Federal Banking agency" to maintain enforcement proceedings against such an individual. Therefore, the Gilreaths 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 (to be codified at 12 U.S.C. Section 1818(b)).

3. Consent. The Gilreaths 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 (to be codified at 12 U.S.C. Section 1818(b)). Upon its issuance by the Cincinnati District Office, OTS, it shall be a final Order, effective and fully enforceable by the OTS under the provisions of Section 8(1) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. Section 1818(1)).

5. Waivers. The Gilreaths waive their right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. Section 1818(b)), and further waive their 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. Section 1818(h)) or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its District Director for the Cincinnati District Office, OTS, and the Gilreaths, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

By:

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Lawrence B. Muldoon
District Director
Cincinnati District of the
Office of Thrift Supervision

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John B. Gilreath

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Elke S. Gilreath

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ORDER TO CEASE AND DESIST

WHEREAS, John B. Gilreath and Elke S. Gilreath ("Gilreaths") 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 District Director for the Cincinnati District and is incorporated herein by reference; and

WHEREAS, the Gilreaths, in the Stipulation, have 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, 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. Section 1818(b)).

NOW THEREFORE, IT IS ORDERED that the Gilreaths shall cease and desist from any violation of, or the aiding and abetting of any violation of:

The Change in Bank Control Act and the Acquisition of Control Regulations.

IT IS FURTHER ORDERED THAT: 1. The Gilreaths shall not acquire or attempt to acquire more than 10% of any class of voting stock of any savings association, including but not limited to, Guaranty Federal Savings Bank, Clarksville, Tennessee ("Guaranty"), while being subject to a "control factor" as defined at 12 C.F.R. Sec. 574.4(c), without prior notification to the OTS and without full compliance with the Control Regulations.

2. The Gilreaths shall not hold, or solicit to hold, any combination of voting stock and revocable and/or irrevocable proxies representing more than 25% of any class of voting stock of a savings association, including but not limited to Guaranty, where such stock or proxies would enable the Gilreaths to:

a) Elect one-third or more of the savings association's board of directors, including nominees or representatives of the Gilreaths currently serving on such board;

b) Cause the savings association's stockholders to approve the acquisition or corporate reorganization of the savings association; or

c) Exert a continuing influence on a material aspect of the business operations of the savings association;

without prior notification to the OTS and without full compliance with the Control Regulations.

3. The Gilreaths shall not enter into any contract, understanding, relationship, agreement or other arrangement, written or otherwise, concerning the ownership or voting rights of shares of stock of any savings association without full compliance with the Control Regulations.

4. The Gilreaths shall not knowingly participate in a joint activity or interdependent conscious parallel action towards a common goal, whether or not pursuant to an express agreement, regarding the ownership or voting rights of shares of stock of any savings association without full compliance with the Control Regulations.

OFFICE OF THRIFT SUPERVISION

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Lawrence B. Muldoon
District Director
Cincinnati District Office
Office of Thrift Supervision