

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

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In the Matter of:)	
)	
Terry W. Henley,)	OTS Order No.: MWR-02-2
)	
Former Employee and)	Dated: MARCH 25, 2002
Institution-Affiliated Party)	
of:)	
)	
Fidelity Homestead Association)	
New Orleans, Louisiana)	
OTS No. 1355)	
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ORDER OF PROHIBITION

WHEREAS, Terry W. Henley (“HENLEY”) has executed a Stipulation and Consent to Issuance of an Order of Prohibition (“Stipulation”); and

WHEREAS, HENLEY, by her execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition (“Order”) by the Office of Thrift Supervision (“OTS”), pursuant to 12 U.S.C. §1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. HENLEY is prohibited from further participation, in any manner, in the conduct of the affairs of Fidelity Homestead Association, New Orleans, Louisiana, and any successor institution, holding company, subsidiary, and/or service corporation thereof.
2. HENLEY is and shall be subject to the statutory prohibitions provided by 12 U.S.C.

§ 1818(e). Due to and without limitation on the operation of 12 U.S.C. §§ 1818(e)(6) and 1818(e)(7), HENLEY, except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other “appropriate Federal financial institutions regulatory agency,” for purposes of 12 U.S.C. §1818(e)(7)(B)(ii), shall not:

(A) hold any office in, or participate in any manner in the conduct of the affairs of any institution or any agency specified in 12 U.S.C. § 1818(e)(7)(A) (“Covered Institution”), including:

(i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, state banks, trust companies, and other banking institutions;

(ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;

(iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. §§ 1781 et seq.;

(iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 et seq.;

(v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(A)(v); and

(vi) the Federal Housing Finance Board and any Federal Home Loan Bank;

(B) solicit, procure, transfer, attempt to transfer, vote or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any Covered Institution;

(C) violate any voting agreement previously approved by the “appropriate Federal banking agency” within the meaning of 12 U.S.C. § 1813(q); or

(D) vote for a director, or serve or act as an “institution-affiliated party,” as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an 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 12 U.S.C. §1818(j), and shall become effective on the date it is issued.

5. HENLEY shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

6. 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.

THE OFFICE OF THRIFT SUPERVISION

By:



Frederick R. Casteel
Midwest Regional Director

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Fidelity Homestead Association)
New Orleans, Louisiana)
OTS No. 1355)

OTS Order No.: MWR-02-2

Dated: MARCH 25, 2002

STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision (“OTS”), based upon information derived from the exercise of its regulatory responsibilities, has informed **Terry W. Henley (HENLEY)**, former employee and **institution-affiliated** party of Fidelity Homestead Association, New Orleans, Louisiana, OTS No. 1355 (“Fidelity” or the “Institution”), that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceedings against **HENLEY**, pursuant to 12 U.S.C. § 1818(e).’

WHEREAS, HENLEY desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, but admitting the statements and conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

‘All references in this Stipulation and Consent and in the Order of Prohibition are to the U.S.C. as amended.

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2-18-02

1. Jurisdiction.

(a) Fidelity, at all times relevant hereto, was a “savings association” within the **meaning** of 12 U.S.C. § 1813(b) and 12 U.S.C. §1462(4). Accordingly, Fidelity was an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).

(b) HENLEY, as a former employee of Fidelity, is deemed to be an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, HENLEY is subject to the authority of the OTS to initiate and maintain prohibition proceedings against her, pursuant to 12 U.S.C. § 1818(e).

2. OTS Findings of Fact.

The OTS finds that during the period from on or about May 22, 2001, through August 21, 2001, HENLEY, without authorization, engaged in check kiting transactions that, in the aggregate, totaled \$213,630, and resulted in the misapplication of \$213,630 of the funds of Fidelity to her own use. As a result of her actions, HENLEY (1) engaged in a violation of the law or breached her fiduciary duty of honesty to Fidelity; and (2) Fidelity suffered a financial loss or she received a financial benefit or other gain; and (3) the violation of law or breach of fiduciary duty demonstrates **willful** and/or continuing disregard by HENLEY for the safety and soundness of Fidelity.

3. Consent.

HENLEY consents to the issuance by the OTS of the accompanying Order of Prohibition (“Order”). HENLEY 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 by the OTS under the authority of 12 U.S.C. §1818(e). Upon its issuance by the Regional Director or designee for the Midwest Region, OTS, it shall be a final

order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. §1818(i).

5. Waivers.

HENLEY waives the following:

(a) the right to be served with a written notice of the OTS's charges against her (referred to as a Notice of Intention to Prohibit) (see 12 U.S.C. § 1818(e));

(b) the right to an administrative hearing of the OTS's charges against her (see 12 U.S.C. § 1818(e)); and

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 181 S(h), or otherwise to challenge the validity of the Order.

6. Indemnification.

HENLEY shall neither cause nor permit Fidelity (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order of Prohibition. Nor shall **HENLEY** obtain any indemnification (or other reimbursement) **from** the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of **HENLEY** in connection with this action shall be returned to Fidelity (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

(a) **HENLEY** acknowledges and agrees that the consent to the issuance of the Order is for the purpose of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of **HENLEY** that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

(b) By signing this Stipulation and Consent to Issuance of an Order of Prohibition, **HENLEY agrees that she** will not assert this proceeding, her consent to the issuance of the Order, and/or the issuance of the Order, as the basis for a claim of double jeopardy in any

pending or future proceeding brought by the United States Department of Justice or any other Federal or state governmental entity.

8. Acknowledgment of Criminal Sanctions.

HENLEY acknowledges that 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of the Order.

9. Agreement for Continuing Cooperation.

HENLEY agrees that, at the OTS's request, on reasonable notice and without service of a subpoena, she will provide whatever discovery and testify truthfully at any deposition and at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by the OTS relating to Fidelity, its holding companies, its subsidiaries, and its institution-affiliated parties, except that **HENLEY** does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If **HENLEY** invokes a privilege against self-incrimination under the Fifth Amendment of the United States Constitution with respect to any matter about which the OTS inquires or the production of any document requested by the OTS and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 et seq., **HENLEY** agrees, consistent with any such grant of immunity, to provide discovery and testify truthfully at any deposition and at any judicial, administrative, or investigative proceeding on the matter for which immunity is given.

WHEREFORE, HENLEY executes this Stipulation and Consent to Issuance of an Order of Prohibition, intending to be legally bound hereby.

By:

Accepted by:
Office of Thrift Supervision

Terry W. Henley
Terry W. Henley

Frederick R. Casteel
Frederick R. Casteel
Midwest Regional Director

Dated: 3-18-2002

Dated: 3-25-02

ACKNOWLEDGMENT

State of Louisiana

County of Orleans

On this 18 day of March, 2002, before me, the undersigned notary public, personally appeared Terry W. Henley and acknowledged her execution of the foregoing Stipulation and Consent to Issuance of an Order of Prohibition.

[Signature]
Notary Public

My Commission expires:

For Life