

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)	
)	
CLARK W. WIDEMAN)	
)	
Former Institution-Affiliated Party of:)	RE: OTS Order No. <u>CHI-96-02</u>
)	
)	Dated: <u>March 22, 1996</u>
JEFFERSON SAVINGS BANK)	
WEST JEFFERSON, OHIO)	
)	

STIPULATION AND CONSENT TO ENTRY
OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, including a formal investigation authorized by Resolution ERC-89-29, dated April 17, 1989, has informed Clark W. Wideman ("WIDEMAN"), former officer and institution-affiliated party of Jefferson Savings Bank, West Jefferson, Ohio ("JEFFERSON" or "the Institution"), that the OTS is of the opinion that grounds exist to initiate an administrative proceeding against WIDEMAN pursuant to Section 8 of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818.¹

WHEREAS, the OTS issued a Notice of Charges against WIDEMAN commencing administrative litigation captioned In the

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

Matter of Clark W. Wideman, OTS Docket No. AP 96-6 (February 23, 1996).

WHEREAS, WIDEMAN desires 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:

1. Jurisdiction. (a) JEFFERSON, at all times relevant hereto, was a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(5) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(5). Accordingly, JEFFERSON was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) WIDEMAN, as a former officer of JEFFERSON, is deemed to be an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 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 Section 3(q) of the FDIA, 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, WIDEMAN is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

2. Findings. The OTS, based upon information derived from a formal investigation into JEFFERSON authorized by Resolution ERC-89-29, dated April 17, 1989, finds that:

- a) From approximately 1986, and continuing to his resignation in February, 1990, WIDEMAN held various positions at JEFFERSON, including Chief Counsel, Senior Vice-President, Acting President and Secretary, outside counsel and consultant.
- b) In or about 1987, WIDEMAN, along with others, participated in the preparation and submission to the Federal Home Loan Bank Board ("FHLBB") of a Notice of Change in Control application and requisite accompanying documents (the "Application") regarding the acquisition of a controlling interest in JEFFERSON by a person other than WIDEMAN. The Application represented, among other things, that after its acquisition, senior management of the Institution would continue to operate JEFFERSON in a manner consistent with a traditional savings association and further that they planned "no growth"; that is, no significant growth was projected for JEFFERSON in deposits, savings, assets or liabilities. The FHLBB approved the Application on the condition, inter alia, that JEFFERSON would adhere to its "no growth" plan and would not deviate therefrom without the prior written

approval of the FHLBB.

- c) In fact, the "no growth" plan was prepared and submitted as a "no growth" plan based upon the belief by WIDEMAN and others that that was the surest way to secure regulatory approval for the acquisition although senior management of JEFFERSON had not decided to follow the "no growth" plan but were considering other plans and strategies for JEFFERSON.
- d) Following the change in control of JEFFERSON, WIDEMAN, along with others, participated in a number of transactions, without the prior approval of the FHLBB, that deviated from the "no growth" plan represented in the Application. Specifically, WIDEMAN participated in the acquisition of millions of dollars of real estate by JEFFERSON.
- e) As a result of the acquisition of real estate described above, JEFFERSON lost substantial sums of money.
- f) By his actions, WIDEMAN demonstrated a willful or continuing disregard for the safety and soundness of JEFFERSON.

3. Consent. WIDEMAN consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). WIDEMAN 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 Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the Central Region, OTS, 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. WIDEMAN waives the following:

(a) the right to be served with a written notice of the OTS's charges against him (referred to as a Notice of Intention to Prohibit) (see Section 8(e) of the FDIA);

(b) the right to an administrative hearing of the OTS's charges against him (see Section 8(e) of the FDIA); and

(c) the right to seek judicial review of the Order, including, without limitation, 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.

6. Indemnification. WIDEMAN represents that he has not received, directly or indirectly, any sums from JEFFERSON for the purpose of indemnifying or reimbursing him for any expenses incurred by WIDEMAN in connection with the OTS investigation. WIDEMAN shall neither cause nor permit JEFFERSON (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 obtain any indemnification (or other reimbursement) from the Institution (or any successor

institution, holding company, subsidiary or service corporation thereof) with respect to such expenses. In the event that any such payments are received by or on behalf of WIDEMAN in connection with this action, WIDEMAN agrees to promptly notify the OTS of the receipt of such payments and to return such payments without delay to JEFFERSON (or the successor institution, holding company, subsidiary or service corporation thereof).

7. Other Government Actions Not Affected. (a) WIDEMAN acknowledges and agrees that the consent to the entry 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 WIDEMAN 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 Entry of an Order of Prohibition, WIDEMAN agrees that he will not assert this proceeding, his consent to the entry of the Order, and/or the entry 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. Representations As To Assets. It is understood that, as part of this settlement, the OTS has relied in part on WIDEMAN's representations concerning his current financial

condition, as set forth in an affidavit of WIDEMAN dated March 8, 1996, and a sworn statement of assets and liabilities as of 8/1/94 prepared and filed by WIDEMAN in the Court of Common Pleas of Franklin County, Ohio, Division of Domestic Relations, in the matter of Wideman v. Wideman, as supplemented by an affidavit of Clark W. Wideman dated March 19, 1996, (hereinafter "Written Financial Representations"). In the event that any information included in the Written Financial Representations is found to be false or misleading with respect to any material fact (including but not limited to the failure to identify and/or value any material asset), the OTS reserves the right to take any action authorized by law, in the exercise of its discretion, including assessing civil money penalties under 12 U.S.C. 1818(i) (Supp. V 1993), or to void this Stipulation and the Order, or to take any other legal action.

9. Acknowledgment of Criminal Sanctions. WIDEMAN acknowledges that Section 8(j) of the FDIA, 12 U.S.C. §1818(j), sets forth criminal penalties for knowing violations of the Order.

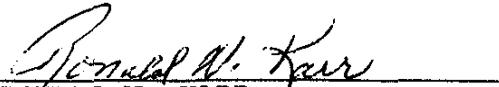
10. Miscellaneous. The terms of this Stipulation and the accompanying Order represent the full and final written agreement of the parties with respect to the subject matter hereof and is the sole agreement between the parties concerning the matters addressed. The terms of the Stipulation and Order may not be modified except in writing as provided for in the Order or by separate written agreement of the parties.

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

By:

Accepted by:
Office of Thrift Supervision


CLARK W. WIDEMAN


RONALD N. KARR
REGIONAL DIRECTOR
CENTRAL REGIONAL OFFICE

Dated: March 19, 1996

Dated: 3-22-1996

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 agency specified in 12 U.S.C. § 1818(e)(7)(A) (the "Paragraph (7)(A) Institutions"), including, but not limited to:

- (i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- (ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3), (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 financial institutions regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(D);
- (vi) the Federal Housing Finance Board and any Federal Home Loan Bank; and
- (vii) the Resolution Trust Corporation.

(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 Paragraph (7)(A) 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 Section 8(j) of the FDIA, 12 U.S.C. §1818(j), and shall become effective on the date it is issued, as shown in the caption above.

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

6. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. This Order shall remain in effect until it is terminated, modified or suspended which may occur only by formal action of the OTS, acting by and through its Director, Regional Director or other authorized representative.

THE OFFICE OF THRIFT SUPERVISION
By:



RONALD N. KARR
REGIONAL DIRECTOR
CENTRAL REGIONAL OFFICE