

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:

GOLDEN, BILLY RAY,

Former Employee and
Institution-Affiliated Party
of:

PREFERRED SAVINGS ASSOCIATION
HOUSTON, TEXAS

RE: OTS Order No. DAL-94-26

Dated: June 28, 1994

ORDER OF PROHIBITION AND ORDER
TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF

WHEREAS, Billy Ray Golden ("GOLDEN") has executed a Stipulation and Consent to Entry of an Order of Prohibition and Order to Cease and Desist for Affirmative Relief ("Stipulation") on JUNE 22, 1994; and

WHEREAS, GOLDEN by his execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition and Order to Cease and Desist for Affirmative Relief ("Orders") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §1818(e) and Section 8(b) of the FDIA, 12 U.S.C. §1818(b).

NOW THEREFORE, IT IS ORDERED that:

ORDER OF PROHIBITION

1. GOLDEN is prohibited from further participation, in any manner, in the conduct of the affairs of Preferred Savings Association, Houston, Texas, and any successor institution, holding company, subsidiary, and/or service corporation thereof.

2. GOLDEN shall not hold any office in, or participate in any manner in the conduct of the affairs of any Federally regulated depository institution or any of the other entities that are described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. §1818(e)(7)(A), without the prior written approval of OTS (acting through its Director or an authorized representative thereof) and, the "appropriate Federal financial institutions regulatory agency" for the Federally regulated depository institution which is involved. Due to the operation of Section 8(e)(6) of the FDIA, 12 U.S.C. §1818(e)(6), conduct prohibited by this Order, without the said prior written approval of the OTS and the "appropriate Federal banking agency", also includes, without limitation: (1) soliciting, procuring, transferring, attempting to transfer, voting, or the attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. §1818(e)(7)(A); and (2) voting for a director, or serving as an institution-affiliated party.

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

ORDER TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF

6. GOLDEN shall pay restitution to Preferred Savings Association in the amount of \$7,000.00 in accordance with the terms set forth in the "Conditions of Probation" dated August 10, 1993, by and between GOLDEN and Harris County Adult Probation Department, as filed in Cause Number 668334 of the 182 District Court of Harris County, Texas, or as the "Conditions of Probation" may be subsequently amended from time to time in the future.

7. All payments should be made directly to the Harris County Adult Probation Department in accordance with the "Conditions of Probation".

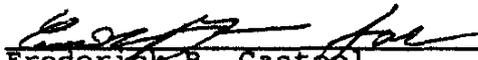
8. The Stipulation is made a part hereof and is incorporated herein by this reference.

9. 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.

Billy Ray Golden
Order of Prohibition and Cease and Desist
Page 4

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

THE OFFICE OF THRIFT SUPERVISION
By:


Frederick R. Casteel
Midwest Regional Director

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
GOLDEN, BILLY RAY,)
Former Employee and)
Institution-Affiliated Party)
of:)
PREFERRED SAVINGS ASSOCIATION)
HOUSTON, TEXAS)

RE: OTS Order No. DAL-94-26

Dated: June 28, 1994

STIPULATION AND CONSENT TO ENTRY
OF AN ORDER OF PROHIBITION AND ORDER TO
CEASE AND DESIST FOR AFFIRMATIVE RELIEF

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Billy Ray Golden ("GOLDEN"), former employee and institution-affiliated party of Preferred Savings Association, Houston, Texas, ("Preferred Savings" or the "Institution") that the OTS is of the opinion that grounds exist to initiate administrative cease and desist and prohibition proceedings against GOLDEN pursuant to Sections 8(b) and 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b) and 12 U.S.C. § 1818(e).¹

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

1. OTS Findings of Fact. The OTS finds that during the four-month period from on or about November, 1992, through February, 1993, GOLDEN, without authorization, misapplied \$7,000.00 of the funds of Preferred Savings to his own use. As a result of his actions, GOLDEN (1) engaged in a violation of the law or breached his fiduciary duty of honesty to Preferred Savings; and (2) Preferred Savings suffered a financial loss or he received a financial benefit or other gain; and (3) the violation of law or breach of fiduciary duty involved personal dishonesty on his part.

2. Finality. The Orders are issued by the OTS under the authority of Section 8(b) of the FDIA, 12 U.S.C. §1818(b)(6)(A)(i) and Section 8(e) of the FDIA, 12 U.S.C. §1818(e). Upon their issuance by the Regional Director or designee for the Midwest Region, OTS, they shall be final orders, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

WHEREAS, GOLDEN 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:

3. Jurisdiction.

(a) Preferred Savings, 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(4) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, Preferred Savings was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) GOLDEN, as a former employee of Preferred Savings, 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, GOLDEN is subject to the authority of the OTS to initiate and maintain cease and desist and prohibition proceedings against him pursuant to Section 8(b) of the FDIA, 12 U.S.C. § 1818(b)(6)(A)(i) and Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

4. Consent. GOLDEN consents to the issuance by the OTS of the accompanying Order of Prohibition and Order to Cease and Desist for Affirmative Relief ("Orders"). He further agrees to comply with their terms upon issuance and stipulates that the Orders comply with all requirements of law.

5. Waivers. GOLDEN waives the following:

(a) the right to be served with a written notice of the OTS's charges against him (see Sections 8(b) and 8(e) of the FDIA);

(b) the right to an administrative hearing of the OTS's charges against him (see Sections 8(b) and 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. GOLDEN shall neither cause nor permit Preferred Savings (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 and Order to Cease and Desist for Affirmative Relief, 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 amounts. Any such payments received by or on behalf of GOLDEN in connection with this action shall be returned to Preferred Savings (or the successor institution, holding company, subsidiary or service corporation thereof).

7. Other Government Actions Not Affected.

GOLDEN acknowledges and agrees that the consent to the entry of the Orders is for the purpose of resolving these cease and desist prohibition actions only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of GOLDEN that arise pursuant to these actions or otherwise, and that may be or have been brought by any other government entity other than the OTS.

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

WHEREFORE, GOLDEN executes this Stipulation and Consent to

Billy Ray Golden
Stipulation and Consent
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Entry of an Order of Prohibition and Order to Cease and Desist
for Affirmative Relief, intending to be legally bound hereby.

By:

Accepted by:
Office of Thrift Supervision

Billy R. Golden
Billy Ray Golden

Frederick R. Casteel
Frederick R. Casteel
Midwest Regional Director

Dated: JUNE 22, 1994

Dated: 6-28-94

* * * * *

ACKNOWLEDGEMENT

State of TEXAS)

County of HARRIS)

On this 22ND day of JUNE, 1994, before me,
the undersigned notary public, personally appeared Billy Ray
Golden and acknowledged his execution of the foregoing
STIPULATION AND CONSENT TO ENTRY OF AN ORDER OF PROHIBITION AND
CEASE AND DESIST ORDER FOR AFFIRMATIVE RELIEF

Damaris C. Anderson
Notary Public

My Commission expires:

