

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

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)  
In the Matter of )

LaVaughn T. Goggans )

a former Director of )

Family Bank, FSB )  
Paintsville, Kentucky )  
\_\_\_\_\_

Order No. CHI-98-04

Date: March 9, 1998

STIPULATION AND CONSENT TO THE ISSUANCE OF AN  
ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed LaVaughn T. Goggans, former director of Family Bank, FSB, Paintsville, Kentucky ("Family Bank"), OTS Docket Number 03951, that grounds exist to initiate an administrative civil money penalty assessment proceeding against him pursuant to 12 U.S.C. §1818(i);<sup>1</sup> and

WHEREAS, LaVaughn T. Goggans desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of

<sup>1</sup> All references to the United States Code ("U.S.C.") are as amended, unless otherwise indicated.

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the OTS, except as to Jurisdiction, paragraph 1, below, which is admitted, hereby stipulates and agrees to the following:

1. Jurisdiction. (a) Family Bank is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 USC. §1462(4). Accordingly, it is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c);

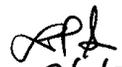
(b) **LaVaughn** T. Goggans was a Director of Family Bank and is an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within 6 years of the date hereof (see 12 U.S.C. § 1818(i)(3)); and

(c) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal Banking agency” to maintain an administrative civil money penalty assessment proceeding against such a savings association or its institution-affiliated parties.

Therefore, LaVaughn T. Goggans is subject to the jurisdiction of the OTS to initiate and maintain a civil money penalty assessment proceeding against him pursuant to 12 U.S.C. § 1818(i). The Director of the OTS has delegated to the Regional Director of the Central Region of the OTS or his designee (“Regional Director”) the authority to issue orders of assessment of civil money penalties where the individual has consented to the issuance of the order.

2. OTS Findings of Fact. The OTS finds that:

(a) Family Bank and the Federal Home Loan Bank Board entered into a Supervisory Agreement (“Agreement”) on April 14, 1988. Section 1 of the Agreement

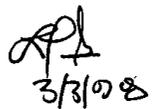
  
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required Family Bank to comply with certain loan documentation requirements; Section 2 and Section 4 of the Agreement required Family Bank to comply with certain loan underwriting requirements; Section 5 of the Agreement required Family Bank to comply with certain appraisal report requirements; and Section 9 of the Agreement required Family Bank to comply with certain construction loan requirements.

(b) LaVaughn T. Goggans was elected Director of Family Bank in April 1994. In the February 13, 1995 Report of Examination, the OTS instructed the directors of Family Bank, including LaVaughn T. Goggans, to review and comply with the provisions of the Agreement. In the September 30, 1996 Field Visit Report, the OTS notified the directors of Family Bank, including LaVaughn T. Goggans, that it expected a higher level of compliance with the intent of the Agreement.

(c) Despite being placed on notice by the OTS of the necessity to comply with the Agreement, LaVaughn T. Goggans violated the Agreement by permitting Family Bank to violate Section 1, Section 2, Section 4, Section 5, and Section 9 of the Agreement. These violations are detailed in the Report of Examination dated February 24, 1997.

3. Consent. LaVaughn T. Goggans consents to the issuance by the OTS of the accompanying Consent Order of Assessment of Civil Money Penalties ("Order"). LaVaughn T. Goggans further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

Handwritten signature and date: 3/3/08



4. Finality. The Order is issued under 12 U.S.C. § 1818(i). Upon its issuance by the 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. **LaVaughn T. Goggans** waives the following:

(a) the right to be served with a written notice of assessment of civil money penalties against him as provided by 12 U.S.C. § 1818(i);

(b) the right to an administrative hearing of the OTS's charges against him as provided by 12 U.S.C. § 1818(i);

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504 or 28 U.S.C. § 2412; and

(e) the right to assert this proceeding, his consent to issuance of the Order, the issuance of the Order, the payment of any monies or the provision of any other financial relief as contemplated by 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 governmental entity.

6. Indemnification. **LaVaughn T. Goggans** represents that he has not received, directly or indirectly, any sums from Family Bank for the purpose of indemnifying or reimbursing him for any expenses incurred by him in connection with the Order. LaVaughn T. **Goggans** shall neither cause nor permit Family Bank (or any successor institution, holding company, subsidiary or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional services rendered to **LaVaughn T. Goggans** relative to the negotiation and issuance of the Order, nor obtain any indemnification (or other reimbursement) from Family Bank (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 **LaVaughn T. Goggans** in connection with this action, LaVaughn T. Goggans agrees promptly to notify the OTS of the receipt of such payments and to return such payments without delay to Family Bank (or the successor institution, holding company, subsidiary or service corporation thereof).

7. Other Governmental Actions Not Affected. LaVaughn T. Goggans acknowledges and agrees that the consent to the issuance of the Order is for the purpose of resolving this OTS enforcement matter only, the violations of Sections 1,2,4,5,and 9 of the Agreement as detailed in the February 24, 1997

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Report of Examination, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of

LaVaughn T. Goggans that arise pursuant to this action or otherwise and that may be or have been brought by the OTS or another governmental entity.

8. Representation As To Financial Condition. It is understood that, as part of this settlement, the OTS has relied in part on LaVaughn T. Goggans' representations concerning his current financial condition, as set forth in: (1) a written statement of financial condition dated August 20, 1997 (on OTS Form 1571, "Statement of Financial Condition"), which has been signed by LaVaughn T. Goggans; and (2) Income Tax Returns for the years 1994, 1995, and 1996. If any information included in the Statement of Financial Condition or the Income Tax Returns is found to be false or misleading with respect to any material fact (including but not limited to the failure to properly identify and/or value any material asset or liability), 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), or to void this Stipulation and the Order, or to take any other legal action.

9. Miscellaneous. (a) The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America:

(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS' predecessors, successors, and assigns;

  
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(c) The section and paragraph headings in this Stipulation and the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Order;

(d) The terms of this Stipulation and the Order represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters; and

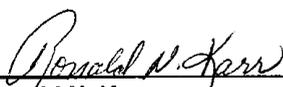
(e) This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

WHEREFORE, **LaVaughn T. Goggans**, executes this Stipulation and Consent to the Issuance of an Order of Assessment of Civil Money Penalties, intending to be legally bound hereby.

Accepted by:

OFFICE OF THRIFT SUPERVISION

By:   
LaVaughn T. Goggans

  
Ronald N. Karr  
Regional Director  
Central Region

Dated: 3/3/9 8

Dated: 3-9-'98

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Order No. CHI-98-04

Date March 9, 1998

CONSENT ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, **LaVaughn T. Goggans** has executed a Stipulation and Consent to the Issuance of an Order of Assessment of Civil Money Penalties ("Stipulation"); and

WHEREAS, **LaVaughn T. Goggans**, by his execution of the Stipulation, has consented and agreed to the issuance of this Consent Order of Assessment of Civil Money Penalties ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1818(i).

**NOW THEREFORE, IT IS ORDERED that:**

1. **LaVaughn T. Goggans** shall pay to the Office of Thrift Supervision the sum of \$12,000, which payment shall be made in three (3) installments as set forth below:

  
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(a) Within ten (10) calendar days of the date of this Order, LaVaughn T. Goggans shall pay the first installment in the sum of \$4,000 by tendering a certified check or bank draft made payable to the order of the Treasurer of the United States.

(b) On or before April 15, 1998, LaVaughn T. Goggans shall pay the second installment in the sum of \$4,000 by tendering a certified check or bank draft made payable to the order of the Treasurer of the United States.

(c) On or before May 15, 1998, LaVaughn T. Goggans shall pay the third installment in the sum of \$4,000 by tendering a certified check or bank draft made payable to the order of the Treasurer of the United States.

2. Each check or bank draft and a copy of the Order shall be delivered, together with a cover letter stating the name of the association, to the following address: Controller's Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552. A copy of each check or bank draft and the cover letter shall be provided by U.S. Mail to: Barbara Haggerty, Office of Thrift Supervision, 200 W. Madison, Suite 1300, Chicago, Illinois 60606.

3. If any installment payment described above is not tendered to the OTS by its prescribed due date, the remaining outstanding balance of the Civil Money Penalty Assessment shall become immediately due and payable.

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

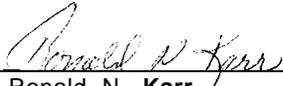
5. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. The Stipulation and the Order shall remain in effect

  
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until terminated, modified or suspended in writing by the OTS, acting through its  
Director, Regional Director, or other authorized representative.

OFFICE OF THRIFT SUPERVISION

By:   
Ronald N. **Karr**  
Regional Director  
Central Regional Office

  
3/3/98