

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
)
Janyce Kuecker,)
)
Former Assistant Vice President and)
Institution-Affiliated Party)
of:)
)
Cuero Federal Savings)
And Loan Association)
Cuero, Texas)

OTS Order No. MWR-00-7

Dated: August 4, 2000

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, has informed **Janyce Kuecker** (“**KUECKER**”), former Assistant Vice President and institution-affiliated party of Cuero Federal Savings and Loan Association, Cuero, Texas, OTS No. 1754 (“**Cuero**” or the “Institution”), now known as Cuero State Bank, that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceedings against **KUECKER** pursuant to Section 8(e) of the Federal Deposit Insurance Act (“FDIA”), 12 U.S.C. § 1818(e).¹

WHEREAS, **KUECKER** 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

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

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agrees to the following terms:

1. Jurisdiction.

(a) **Cuero**, 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, **Cuero** was an “insured depository institution” as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) **KUECKER**, as a former Assistant Vice President of **Cuero**, 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, **KUECKER** is subject to the authority of the OTS to initiate and maintain prohibition proceedings against her pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

2. OTS Findings of Fact.

The OTS finds that during the period from at least June, 1994, through December, 1997, **KUECKER**, without authorization, misapplied at least **\$96,013.00** of the funds of **Cuero** to her own use. As a result of her actions, **KUECKER** (1) engaged in a violation of the law or breached her fiduciary duty of honesty to **Cuero**; and (2) **Cuero** 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 **KUECKER** for the safety and soundness of **Cuero**.

3. Consent.

KUECKER consents to the issuance by the OTS of the accompanying Order of Prohibition (“Order”). **KUECKER** further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

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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 Midwest 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.

KUECKER 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 Section 8(e) of the FDIA);

(b) the right to an administrative hearing of the OTS's charges against her (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.

KUECKER shall neither cause nor permit **Cuero** (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 **KUECKER** 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 KUECKER in connection with this action shall be returned to **Cuero** (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

(a) **KUECKER** 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

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of **KUECKER** 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, **KUECKER** agrees that she will not assert this proceeding, her 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. Acknowledgment of Criminal Sanctions.

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

9. Agreement for Continuing Cooperation.

KUECKER 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 **Cuero**, its holding companies, its subsidiaries, and its institution-affiliated parties, except that **KUECKER** does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If **KUECKER** 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., **KUECKER** 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, **KUECKER** executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound hereby.


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By:

Accepted by:
Office of Thrift Supervision

Janyce Kuecker
Janyce Kuecker

Frederick R. Casteel
Frederick R. Casteel
Midwest Regional Director

Dated: 7-23-00

Dated: 8-4-00

* * * * *

ACKNOWLEDGMENT

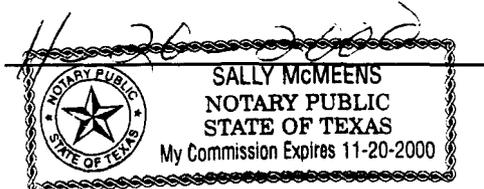
State of TEXAS

county of DEWITT

On this 24th day of July, 2000, before me, the undersigned notary public, personally appeared Janyce Kuecker and acknowledged her execution of the foregoing Stipulation and Consent to Entry of an Order of Prohibition.

Sally McMeens
Notary Public

My Commission expires:



UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
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Janyce Kuecker,)
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Former Assistant Vice President)
And Institution-Affiliated Party)
of:)
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Cuero Federal Savings)
And Loan Association)
Cuero, Texas)
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OTS Order No. MWR-00-7

Dated: August 4, 2000

ORDER OF PROHIBITION

WHEREAS, Janyce Kuecker ("KUECKER") has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation"); and

WHEREAS, KUECKER, 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 Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. **KUECKER** is prohibited from further participation, in any manner, in the conduct of the affairs of Cuero Federal Savings and Loan Association, Cuero, Texas, and any successor

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institution, holding company, subsidiary, and/or service corporation thereof.

2. **KUECKER** is and shall be subject to the statutory prohibitions provided by Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Due to and without limitation on the operation of Sections 8(e)(6) and 8(e)(7) of the FDIA, 12 U.S.C. §§ 1818(e)(6) and 1818(e)(7), **KUECKER**, 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 Section **8(e)(7)(B)(ii)** of the FDIA, 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 Section 8(e)(7)(A) of the FDIA, 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 Sections 8(b)(3) and 8(b)(4) of the FDIA, 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under Section 8(b)(9) of the FDIA, 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;

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(C) violate any voting agreement previously approved by the “appropriate Federal banking agency” within the meaning of Section 3(q) of the FDIA, 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 Section 3(u) of the FDIA, 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.

5. **KUECKER** 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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