

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of
WILLIAM G. THOMAS

A Former Director of
PERPETUAL SAVINGS BANK, FSB
Vienna, Virginia

OTS Order No. ATL-95-14

Date: December 14, 1995

STIPULATION AND CONSENT TO THE ISSUANCE OF A
CONSENT ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed WILLIAM G. THOMAS ("THOMAS"), a former director of PERPETUAL SAVINGS BANK, FSB, Vienna, Virginia, OTS No. 6579 ("PERPETUAL") that OTS is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against THOMAS pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b).

WHEREAS, THOMAS desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding and, therefore, solely for the purposes of settlement, without admitting or denying that such grounds exist, or the factual findings and opinions summarized in paragraph 2., below, and without any adjudication on the merits, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) PERPETUAL was, at all times relevant hereto, 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, 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) THOMAS was a director of PERPETUAL until it was placed in receivership on or about January 10, 1992 and is an "institution-affiliated party" of the Institution as that term is defined in Section 3(u) of the FDIA, 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)).

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against a savings association and/or its institution-affiliated parties. Therefore, THOMAS is subject to the jurisdiction of the OTS to initiate and maintain a Cease and Desist proceeding against him pursuant to Section 8(b) of the FDIA, 12 U.S.C. § 1818(b).

2. OTS Findings of Fact. The OTS finds that during the period from in or about 1984 to January 10, 1992, THOMAS was a director of Perpetual and served on its Executive and Loan Committee. THOMAS during part of that period held minority ownership interests in entities, including but not limited to

International Developers Inc. ("IDI"), which owned or controlled the project known as Techworld, a commercial building development in Washington D.C. Perpetual's subsidiary, PRES, was a joint venture partner of IDI with an equity interest in Techworld and undertook loans and guarantees in favor of the Techworld project worth millions of dollars. Notwithstanding that THOMAS had disclosed his ownership interests and formally recused himself from voting on transactions between Perpetual, PRES and Techworld, THOMAS continued to encourage the Executive and Loan Committee of Perpetual and the management of PRES to loan to or invest more funds into Techworld or otherwise engage in transactions which benefited Techworld and its owners and increased the risk of loss to Perpetual and PRES. Further, during THOMAS' service on the Executive and Loan Committee, Perpetual management, while under the oversight of the Committee, engaged in inadequate loan underwriting by management. THOMAS brought certain other inappropriate loans to Perpetual. Those loans, together with the loans and extensions of credit to Techworld, resulted in losses to Perpetual.

3. Consent. THOMAS consents to the issuance by the OTS of the Order. THOMAS further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under Section 8(b) of the FDIA, 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director or designee for the SOUTHEAST 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.

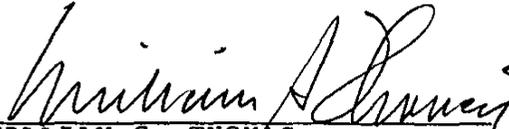
(a) THOMAS waives his right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, 12 U.S.C. § 1818(b), and further waives any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

(b) THOMAS waives any and all claims for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law or under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

(c) THOMAS and OTS acknowledge that this Consent, the Order, his compliance with the Order and the forbearance of the OTS to maintain administrative proceedings against him resolve all potential charges that the OTS could bring against THOMAS based upon, or arising from, his participation in the conduct of the affairs of Perpetual, except for his failure to comply with the Consent and Order, and do not resolve, preclude or affect any other civil or criminal claim or proceeding that may be or has been brought against THOMAS or any other person by any other governmental entity, including the Resolution Trust Corporation.

THOMAS executes this Stipulation and Consent to the Issuance of an Order to Cease and Desist, intending to be legally bound hereby.

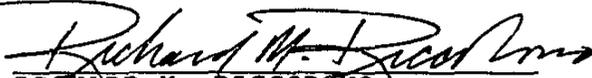
By:


WILLIAM G. THOMAS

Date: December 11, 1995

Accepted by:

Office of Thrift Supervision


RICHARD M. RICCOBONO
ACTING REGIONAL DIRECTOR
Southeast Region

Date: 12/14/95

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OTS Order No. ATL-95-14

Date: December 14, 1995

CONSENT ORDER TO CEASE AND DESIST

WHEREAS, WILLIAM G. THOMAS ("THOMAS") has executed a Stipulation and Consent to the Issuance of a Consent Order to Cease and Desist ("Stipulation"); and

WHEREAS, THOMAS in the Stipulation, has consented and agreed to the issuance of this Consent Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b).¹

WHEREAS, the Director of the Office of Thrift Supervision ("OTS") has delegated to the Regional Director of the OTS the authority to issue Orders to Cease and Desist on behalf of the OTS where THOMAS has consented to the issuance of the Order.

NOW THEREFORE, IT IS ORDERED THAT:

1. (a) THOMAS shall not, without the prior written approval of the Regional Director of the Southeast Region of the OTS (or, if the institution is not regulated by the OTS, without

1. All references to the United States Code are as amended.

the prior approval of an appropriate senior official of the appropriate Federal banking agency), seek or accept any position as officer, director or other institution-affiliated party with any insured depository institution, or any other institution listed under 12 U.S.C. § 1818(e)(7)(A), if such position involves direct or indirect participation in or oversight of any phase of such institution's lending or credit granting activities in any form or manner.

(b) Paragraph 1(a) of this Order is not intended to and does not apply to (i) service by THOMAS' law firm as counsel to an insured depository institution, (ii) service by THOMAS as counsel for insured depository institutions in matters or issues unrelated to an institution's lending or credit granting activities, or (iii) to Thomas or his law firm serving as counsel to a customer or potential customer of an insured depository institution.

2. Should THOMAS accept employment, appointment or assignment in accordance with paragraph 1(a) of this Order, THOMAS shall cease and desist from any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling or the aiding and abetting of any unsafe or unsound practice or breach of fiduciary duty in connection with lending or investment by any insured depository institution.

3. In connection with any position sought or obtained by THOMAS in accordance with paragraph 1(a) of this Order, at the earliest opportunity practicable, and in any event before accepting any offer of employment or appointment from, or being retained to provide professional services for, any insured depository institution, THOMAS shall provide a copy of this Order and the

accompanying Stipulation to such insured depository institution.

4. THOMAS shall promptly respond to any reasonable request from the OTS for documents, interviews or other information without subpoena in connection with the OTS formal examination into the affairs of PERPETUAL, including but not limited to demonstrating compliance with this Order.

5. All technical words or terms used in this Order, for which meanings are not specified or otherwise provided by the provisions of this Order shall, insofar as applicable, have meanings as defined in the rules and regulations adopted by the OTS (including, without limitation, 12 C.F.R. § 500.1 et seq., § 541.1 et seq., and § 561.1 et seq. (1991)). Any such technical words or terms used in this Order and undefined in said rules and regulations shall have meanings that accord with the best custom and usage in the thrift industry.

6. In the event any provision of this Order shall be declared invalid, illegal, or unenforceable; the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

7. This Order shall remain in effect until five (5) years after THOMAS begins serving in any position obtained in accordance with paragraph 1(a) of this Order or five (5) years from the effective date of this Order, whichever is later.

THE OFFICE OF THRIFT SUPERVISION

By: 
RICHARD M. RICCOBONO
Acting Regional Director
Southeast Region