

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)

Mark E. DeBarge)

Former Loan Officer)

of:)

LOGANSPORT SAVINGS BANK)

Logansport, Indiana)

OTS No. 04312)

OTS Order No.: ATL-2004-06

Dated: February 26, 2004

STIPULATION AND CONSENT TO ISSUANCE 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 Mark E. DeBarge (“DeBarge”), former Loan Officer of Logansport Savings Bank, Logansport, Indiana (“Logansport” or the “Institution”) that the OTS is of the opinion that grounds exist to initiate administrative proceedings against DeBarge pursuant to 12 U.S.C. §§ 1818(e),¹ and

WHEREAS, DeBarge 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:

1. Jurisdiction.

(a) Logansport, at all times relevant hereto, was a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, Logansport was an “insureddepository institution” as that term is defined in 12 U.S.C. § 1813(c).

¹ All references in this Stipulation and Consent to Issuance of an Order of Prohibition (“Stipulation”) are to the United States Code as amended.

(b) DeBarge, as a former Loan Officer of Logansport, is an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an enforcement proceeding against savings association’s institution-affiliated parties. Therefore, DeBarge is subject to the authority of the OTS to initiate and maintain administrative proceedings against him pursuant to 12 U.S.C. § 1818(e).

2. OTS Findings of Fact.

a) The OTS finds that DeBarge, prior to August 2003, without authorization or approval, caused approximately \$70,000 in loan disbursements to be deposited into accounts in his name or for his benefit.

b) As a result of his actions: DeBarge (1) violated an order, law or regulation, engaged in unsafe and unsound practices and/or breached his fiduciary duty to Logansport; and (2) Logansport suffered financial loss or other damage and/or the interests of Logansport’s depositors have been or could be prejudiced; and (3) the violation of law or breach of fiduciary duty demonstrates personal dishonesty or willful and/or continuing disregard by DeBarge for the safety and soundness of Logansport.

3. Consent.

DeBarge consents to the issuance by the OTS of the accompanying Order of Prohibition (“Order”). DeBarge 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 by the OTS under the authority of 12 U.S.C. § 1818(e). Upon issuance by the Regional Director or designee for the Southeast Region, OTS, the Order shall be final, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers.

DeBarge waives the following:

(a) the right to be served with a written notice of the OTS’s charges against him;

- (b) the right to an administrative hearing of the OTS's charges against him; and
- (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.

6. Indemnification.

DeBarge shall neither cause nor permit Logansport (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. Nor shall DeBarge obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to any amounts paid for restitution or reimbursement. Any such payments received by or on behalf of DeBarge in connection with this action shall be returned to Logansport (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

(a) DeBarge acknowledges and agrees that his consent to the issuance of the Order is for the purpose of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or affect any actions, charges against, or liability of DeBarge 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, DeBarge agrees that he will not assert this proceeding, his consent to the issuance of the Order, and/or the issuance 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. Agreement for Continuing Cooperation

DeBarge agrees that, at the OTS's written request, without service of a subpoena, he will provide discovery and will testify truthfully at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by OTS relating to Logansport or

its institution-affiliated parties, except that DeBarge does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If DeBarge invokes his privilege against self-incrimination under the Fifth Amendment of the United States Constitution and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 et seq., DeBarge agrees, consistent with any such grant of immunity, to provide discovery and to testify truthfully at any judicial, administrative, or investigative proceeding for which immunity is given.

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;

(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 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.

10. Acknowledgment of Criminal Sanctions.

DeBarge acknowledges that 12 U.S.C. § 1818(j) sets forth criminal penalties for knowing violations of the Order.

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

By:

Accepted by:
Office of Thrift Supervision

Mark E. DeBarge
Mark E. DeBarge

John E. Ryan
John E. Ryan
Southeast Regional Director

Dated: 2-13-04

Dated: 2/26/04

ACKNOWLEDGMENT

State of Indiana

County of CASS

On this 13th day of FEB., 2004, before me, the undersigned notary public, personally appeared Mark E. DeBarge and acknowledged his execution of the foregoing Stipulation and Consent to Issuance of an Order of Prohibition.

Mawin T. Williams
Notary Public

My Commission expires: DEC 7 2007

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In the Matter of:

Mark E. DeBarge

Former Loan Officer

of:

LOGANSFORT SAVINGS BANK

Logansport, Indiana

OTS No. 04312

OTS Order No.: *ATL-2004-06*

Dated: **February 26, 2004**

ORDER OF PROHIBITION

WHEREAS, Mark E. DeBarge (“DeBarge”) has executed a Stipulation and Consent to Issuance of an Order of Prohibition (“Stipulation”); and

WHEREAS, DeBarge, by his 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 12 U.S.C. §1818(e).

NOW, THEREFORE, IT IS ORDERED that:

1. DeBarge is prohibited from further participation, in any manner, in the conduct of the affairs of Logansport Savings Bank, Logansport, Indiana (“Logansport”), and any successor institution, holding company, subsidiary, and/or service corporation thereof.

2. DeBarge is and shall be subject to the statutory prohibitions provided by 12 U.S.C. § 1818(e). Due to and without limitation on the operation of 12 U.S.C. §§ 1818(e)(6) and 1818(e)(7), DeBarge, 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 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 12 U.S.C. § 1818(e)(7)(A) (“Covered Institution”),

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2-13-04

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 12 U.S.C. §§ 1818(b)(3) and 1818(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 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;

(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.

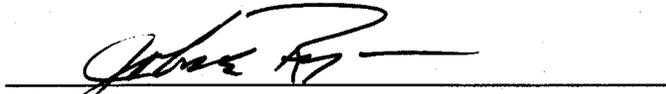
4. This Order is subject to the provisions of 12 U.S.C. § 1818(j), and shall become effective on the date it is issued.

5. DeBarge 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:

A handwritten signature in black ink, appearing to read "John E. Ryan", is written over a horizontal line.

John E. Ryan
Southeast Regional Director