

Press Releases

October 2, 1998

OTS 98-75 - Former Texas Banker Consents to \$1.25 Million Restitution and Prohibition

Office of Thrift Supervision

NEWS

FOR RELEASE at 3:45 p.m. EDT

For further information

Friday, October 2, 1998

Contact: Thomas P. Mason

OTS 98-75

202/906-6688

Former Texas Banker Consents To \$1.25 Million Restitution And Prohibition

WASHINGTON, D.C., Oct. 2, 1998 -- To conclude long-standing litigation against him, the former chairman and chief executive officer of two failed Texas thrift institutions has consented to a prohibition order from the Office of Thrift Supervision (OTS) that bans him from the banking industry and requires him to pay \$1.25 million in restitution.

John Henderson, Jr., held the posts of chairman and chief executive officer of Home Savings and Loan Association, Lufkin, Texas and Southland Savings Association, Longview, Texas until June 1987. He was also the controlling shareholder of the thrifts' holding company, Home Financial Corporation. Home Savings failed in August 1988, and Southland Savings failed in December 1988.

OTS accused Henderson of unsafe or unsound conduct and lending rule violations in connection with eight acquisition, development and construction (ADC) loans made by Home and Southland that resulted in aggregate losses to the thrifts of approximately \$8 million. OTS alleged that Henderson was personally involved in procuring and negotiating the loans. The thrift regulator also accused Henderson of safety and soundness violations by improperly underwriting and monitoring the eight loans.

Henderson will pay \$150,000 in cash within 10 days of the issuance of the OTS order, and deliver a promissory note for the remaining \$1.1 million, payable over four years.

###

The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents call PubliFax at 202/906-5660, or visit the OTS web page at www.ots.treas.gov.