

## Press Releases

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June 13, 1996

OTS 96-42 - OTS Charges Florida Thrift Owner Enriched Himself at S&L's Expense

### Office of Thrift Supervision

#### News Release

FOR RELEASE at 5:00 p.m. EDT

For further information

Thursday, June 13, 1996

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OTS 96-42

202/906-6688

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### **OTS CHARGES FLORIDA THRIFT OWNER ENRICHED HIMSELF AT S&L'S EXPENSE**

WASHINGTON, D.C., June 13, 1996 -- A Florida thrift owner was charged today with attempting to enrich himself at the expense of the institution by causing it to commit several violations of laws and regulations, including buying a luxury sedan for his personal use, which he then titled to his wife.

Charges of breaching his fiduciary duty to the institution were brought by the Office of Thrift Supervision (OTS) against Barry W. Florescue, controlling shareholder of Century Financial Group, Inc., holding company for Century Bank, a Federal Savings Bank, Sarasota. At the time of the alleged offenses, Century Bank was not meeting certain of its capital requirements, a condition that has since been corrected, OTS said.

OTS is seeking a cease and desist order that would require Florescue to obtain OTS approval before serving again as an officer or director of Century and to furnish a copy of the OTS C&D order to any other insured depository institution before accepting employment. His status as controlling shareholder of Century would not be affected. OTS also is seeking \$80,000 in civil money penalties.

The alleged offenses occurred in 1990 and 1991 while Florescue was chairman, chief executive and director of Century Bank. He no longer holds these positions. Additional offenses cited by OTS are that Florescue caused Century, in an unsafe and unsound manner, to:

- pay insurance premiums for coverage he was not entitled to;
- pay him salary and directors' fees prior to his having earned them;
- set up a \$100,000 line of credit for him on rates and terms more favorable than those available to the public; and
- reimburse him and others for personal expenses for travel and other purposes that were not for the benefit of the institution.

In addition, OTS said, Florescue, without the approval of fellow directors, used the corporate brokerage accounts of Century to engage in personal securities transactions amounting to more than \$400,000 for himself and his wife. He also used Century officers to perform services for another company he owned, without reimbursing Century for their services.

Finally, OTS said Florescue caused Century to violate a supervisory agreement with OTS, by directing the purchase of \$157,000 in equity stock. Century was required to obtain OTS approval before making such a purchase, which it did not.

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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](http://www.ots.treas.gov).