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[¶16,116] Docket No. FDIC-93-20e (9-13-96)

**In the Matter of
SHERMAN W. DREISESZUN, individually, and as director,
person participating in the conduct
of the affairs of and/or an
institution-affiliated party of
THE MISSION BANK
MISSION, KANSAS
METRO NORTH STATE BANK
KANSAS CITY, MISSOURI
VALLEY VIEW STATE BANK
OVERLAND PARK, KANSAS
INDUSTRIAL STATE BANK
KANSAS CITY, KANSAS
and
SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS
(Insured State Nonmember Bank)
DECISION AND ORDER GRANTING
APPLICATION OF SHERMAN W.
DREISESZUN TO MODIFY ORDER
[{{11-30-96 p.TC-353}}](#)
OF PROHIBITION FROM FURTHER
PARTICIPATION
FDIC-93-20e**

On April 11 and 16, 1996, Sherman W. Dreiseszun ("Respondent") through letters ("Application") addressed to the Deputy Regional Director of the Kansas City Regional Office of the Federal Deposit Insurance Corporation ("FDIC"), made application to the FDIC for written consent to a modification of the Order of Prohibition From Further Participation ("Order of Prohibition"), issued against Respondent on March 8, 1994. This application arises under section 8(e) (7)(B) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1818(e)(7)(B), and section 8(j) of the Act, 12 U.S.C. § 1818(j).

Background

On October 15, 1993, Respondent stipulated to the issuance of the Order of Prohibition, and on March 8, 1994, the FDIC issued the Order of Prohibition pursuant to section 8(e) of the Act, 12 U.S.C. § 1818(e). The Order of Prohibition, among other things, prohibited the Respondent from participating in any manner in the conduct of the affairs of any financial institution or organization enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. § 8(e)(7)(A), and from soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent or authorization with respect to any voting rights in any entity specified in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of the FDIC and the appropriate Federal financial institutions regulatory authority (in this instance, the Federal Reserve).

The Application

Respondent's Application herein seeks permission from the FDIC to allow the Respondent to vote and transfer his stock in connection with "a merger or other type of consolidation of the Morgan/Dreiseszun bank holding companies and their respective banking institutions."

DECISION AND ORDER

Upon review of the record as a whole, the FDIC finds that the Application of the Respondent should be, and hereby is, granted.

Accordingly, for the limited purposes set forth in the Application, Respondent is permitted to:

1. Vote on an amendment to the Articles of Incorporation of Valley View Bancshares, Inc. ("Valley View"), to authorize the issuance of voting common stock in order to effectuate the proposed exchange offer.
2. Vote to authorize the officers and directors of Valley View and the officers and directors of Mission

Bancshares, Inc., One Security, Inc., Industrial Bancshares, Inc., and International Bancshares, Inc. ("the Holding Companies"), to sign appropriate documents in order to effectuate the exchange offer and to sign appropriate merger documents.

3. Vote to approve a plan of merger relating to Valley View and the Holding Companies.
4. Vote on any other corporate structural changes in order to effectuate the exchange offer or the merger as described in the Application.
5. Vote on any other matters required by either Missouri or Kansas state laws in respect to the exchange offer or the merger of the Holding Companies with and into Valley View.
6. Exchange (transfer) Respondent's shares in the Holding Companies for shares of Valley View Bancshares, Inc.

Respondent should be aware that the granting of his Application is strictly limited to the actions detailed above, as outlined in the Application, and does not constitute consent to engage in any other conduct not specifically authorized by this order which may violate the Order of Prohibition or section 8(e)(7)(A) of the Act, 12 U.S.C. § 8(e)(7)(A). Respondent is apprised that he must also obtain the approval of the Federal Reserve Board, as required by section 8(e)(7)(B)(ii), 12 U.S.C. § 8(e)(7)(B)(ii), before he may vote or exchange his shares as described above.

Respondent should also be aware that the Order of Prohibition prohibits him from serving or acting as an institution-affiliated party, which is defined by section 3(u) of the Act, 12 U.S.C. § 1813(u), to include a controlling shareholder. Although the term "controlling shareholder" is not defined in the Act, "control" is a well-defined term under existing banking laws. For example, a person may have control if he/she "directly or [{{11-30-96p.TC-354}}](#) indirectly...owns...25 percent or more of any class of voting...[stock] of the... [insured depository institution] 12 C.F.R. § 215.2(c)(1)(i). Control has also been defined to include a person who owns "ten percent or more of a class of voting securities of an insured depository institution.... if...no other person...own[s] a greater proportion of that class of voting securities." 12 C.F.R. § 303.4(a). Thus, the permission granted in item 6, above is limited solely to an exchange which does not result in the Respondent becoming a controlling shareholder of Valley View Bancshares, Inc.

Accordingly, subject to the terms and conditions outlined above, the Application of Respondent is hereby granted.

Pursuant to delegated authority.

Dated at Washington, D.C. this 13th day of September, 1996.