

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY

In the Matter of)

EUGENE J. VAN LAANEN,
a former President, Chief
Executive Officer, and Director,)

of)

AMADOR VALLEY SAVINGS
AND LOAN ASSOCIATION,
Pleasanton, California.)

Re: Order No. SF-94-011

Dated: April 5, 1994

ORDER OF PROHIBITION

WHEREAS, Eugene J. Van Laanen ("VAN LAANEN") has executed a Stipulation and Consent to the Entry of an Order of Prohibition ("Stipulation"); and

WHEREAS, VAN LAANEN, 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 Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e); and

WHEREAS, the Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue Orders of Prohibition on behalf of the OTS where VAN LAANEN has consented to the issuance of the Order

NOW THEREFORE, IT IS ORDERED that:

1. VAN LAANEN, as a former President, Chief Executive Officer, and Director of Amador Valley Savings and Loan

Association, Pleasanton, California, shall not hold office in, or participate in any manner in the conduct of the affairs of any Federally regulated depository institution or the other entities that are described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of OTS (acting through its Director or an authorized representative thereof) and, the "appropriate Federal financial institutions regulatory agency" for the Federally regulated depository institution which is involved. Due to the operation of Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6), conduct prohibited by this Order, without the said prior written approval of the OTS and of the "appropriate Federal banking agency," also includes, without limitation:

(a) The soliciting, procuring, transferring, attempting to transfer, voting, or the attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C.

§ 1818(e)(7)(A); and

(b) Voting for a director, or serving or acting as an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u).

2. The Stipulation is made a part hereof and is incorporated herein by this reference.

3. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued, as shown in the caption above.

4. VAN LAANEN shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

5. All words or terms used in this Order, for which meanings are not specified or otherwise provided for by the provisions of this Order, shall have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, the Home Owners' Loan Act, the FDIA and FIRREA.

6. This Order shall become effective on the date of issuance by the Regional Director, and shall remain in effect until modified or terminated by the OTS.

THE OFFICE OF THIRTEEN SUPERVISION

By: _____ /s/
for John F. Robinson
Regional Director
West Region

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STIPULATION AND CONSENT TO
THE ENTRY 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 Eugene J. Van Laanen ("VAN LAANEN"), a former President, Chief Executive Officer, and Director of Amador Valley Savings and Loan Association, Pleasanton, California ("AMADOR"), that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceeding against VAN LAANEN pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e); and

WHEREAS, VAN LAANEN 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, hereby stipulates and agrees to the following:

1. Jurisdiction.

(a) AMADOR was 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) VAN LAANEN, as a former President, Chief Executive Officer, and Director of AMADOR, is deemed to be an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u), and has served in such capacity within six 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 OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against a savings association and/or its institution-affiliated parties. Therefore, VAN LAANEN is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

2. OTS Findings of Fact.

The OTS has concluded that VAN LAANEN engaged in unsafe and unsound practices and violated laws, rules or regulations in Amador's sale of loans to Echelon Mortgage Acceptance Corporation ("EMAC") and/or Echelon Mortgage Corporation ("EMC"). VAN LAANEN'S unsafe and unsound practices and violations of laws, rules, or regulations caused AMADOR to suffer financial loss and demonstrated

his willful or continuing disregard for the safety and soundness of AMADOR. Some examples of VAN LAANEN'S unsafe and unsound actions and violations of laws, rules, or regulations are set forth below:

(a) As President, CEO, and Director, VAN LAANEN permitted AMADOR to enter into a contract with EMAC which failed to provide basic protections of Amador's interests. The contract failed to set forth any performance obligations of EMAC and made no reference to when and where AMADOR would be paid for the continuing stream of loans sold to EMAC/EMC. The contract also failed to provide any safeguards, such as an escrow arrangement or simultaneous payment instructions, to assure that Amador would be paid.

(b) As President, CEO, and Director, VAN LAANEN permitted negotiable endorsed notes to be continually shipped to EMAC/EMC without receiving timely payments. In addition, VAN LAANEN failed to monitor adequately AMADOR'S continuing transactions with EMAC/EMC, and permitted the loan receivable from EMAC/EMC to rise over several months until it stood at approximately \$7,300,000 and threatened the liquidity of the association. The loan receivable of approximately \$7,300,000 was almost twice the required amount of AMADOR'S risk-based capital minimum.

(c) As President, CEO, and Director, VAN LAANEN failed to supervise adequately AMADOR'S personnel who continued to ship negotiable endorsed notes to EMAC/EMC over several months, without receiving prompt payment.

3. Consent.

VAN LAANEN consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of the law.

4. Finality.

The Order is issued by the OTS under the authority of Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the West 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.

VAN LAANEN waives the following:

(a) The right to be served with a written notice of the OTS's charges against him (referred to as a Notice of Intention to Prohibit) (see Section 8(e) of the FDIA);

(b) The right to an administrative hearing of the OTS's charges against him (see Section 8(e) of the FDIA);

(c) The right to seek judicial review of the Order, including, without limitation, any such right provided by Section 8(h) of the FDIC, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) 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.

6. Indemnification.

VAN LAANEN shall neither cause or permit AMADOR (or any subsidiary thereof, or any governmental entity as successor in interest 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 obtain any indemnification (or other reimbursement) from AMADOR (or any subsidiary thereof, or any governmental entity as successor in interest thereof) with respect to such amounts. Any such payments received by or on behalf of the Respondent in connection with this action shall be returned to AMADOR, or any governmental entity as successor in interest thereof.

7. Other Government Actions Not Affected.

VAN LAANEN acknowledges and agrees that the consent to the entry of the Order are for the purposes of resolving this OTS enforcement matter only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of VAN LAANEN that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation, or any other government entity other than the OTS.

8. Acknowledgment of Criminal Sanctions.

VAN LAANEN acknowledges that Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of this Order.

WHEREFORE, VAN LAANEN executes this Stipulation and Consent to the Entry of an Order of Prohibition, intending to be legally bound hereby.

By:

Accepted by:

OFFICE OF THRIFT SUPERVISION

/s/

/s/

Eugene J. Van Laanen

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John F. Robinson
Regional Director
West Region