

Due the operation of Section 8(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: (1) the soliciting, procuring, transferring, attempting to transfer, voting, or 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 (2) voting for a director, or serving or acting as an institution-affiliated party. Conduct prohibited by this Order does not include engaging in arms-length transactions with, or doing business with, the Resolution Trust Corporation ("RTC") or any institution referenced in 12 U.S.C. § 1818(e)(7), to the extent that Pananides does not participate in the conduct of affairs of such institution(s).

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

4. 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.

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

6. Pursuant to the Stipulation, upon acceptance by the Regional Director of the Stipulation, Pananides shall pay to the OTS, in the form of a cashier's check made payable to the Office

of Thrift Supervision, the sum of \$8,333, said sum representing one-third of the costs of the formal examination.

OFFICE OF THRIFT SUPERVISION

By:

A handwritten signature in cursive script, appearing to read "John F. Robinson", is written over a horizontal line.

John F. Robinson
Regional Director

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)
)
)
ALEXANDER N. PANANIDES, a)
former director of)
First Newport Bank, F.S.B.,)
(formerly University Savings)
Bank), Newport Beach, CA,)
)
Respondent.)

Re: Order No. SF-94-036
Dated: September 2, 1994

STIPULATION AND CONSENT TO 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 Alexander N. Pananides, ("Pananides"), a former director of First Newport Bank, F.S.B. (formerly University Savings Bank, F.S.B.), Newport Beach, California ("the Institution") that the OTS is of the opinion that the grounds exist to initiate an administrative prohibition action against him pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e);¹ and

WHEREAS, Pananides 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 terms:

¹ All references in this Stipulation and Consent and the Order of Prohibition to the U.S.C. are as amended.

1. Jurisdiction and Facts.

(a) The Institution 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 ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, it was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Pananides, as a former director of the Institution 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), having served in such capacity within six (6) years of the date hereof. See 12 U.S.C. § 1813(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 such a savings association and/or its institution-affiliated parties. Therefore, Pananides 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 is of the opinion that Pananides breached his fiduciary duties, violated applicable OTS regulations and engaged in unsafe and unsound practices in his capacity as an institution-affiliated party of the Institution.

3. Consent. Without admitting or denying any fault and solely to resolve the OTS' claims by compromise and settlement, Pananides consents to the issuance by the OTS of the accompanying

Order of Prohibition ("Order") in consideration of the forbearance of the OTS from initiating such administration proceedings, or any other administrative enforcement action known to the OTS as of the effective date of this agreement based on or arising from his service as a director of the Institution, or his role or activities as a person participating in the affairs of the Institution.

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 become 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. Payment of OTS' Investigative Costs. Pursuant to 12 U.S.C. § 1818(b)(6) Pananides acknowledges and agrees to reimburse and pay to the OTS the sum of \$8,333 (representing one-third of its costs and expenses incurred in connection with the formal examination of the Institution). Pananides acknowledges and agrees that such costs and expenses were reasonable and necessary in connection with the formal examination. Pananides further agrees to make such payment in the form of a cashier's check to the OTS immediately upon execution of this Stipulation.

6. Miscellaneous. By signing this Stipulation, Pananides agrees that he will not assert the execution of this Stipulation or the payment of OTS' investigative expenses and costs in connection with the formal examination of the Institution as a basis for a claim of double jeopardy, res judicata, claim or issue preclusion

or any form of estoppel in any pending or future proceeding brought by any other federal or state governmental agency.

7. Waivers. Pananides waives the following:

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

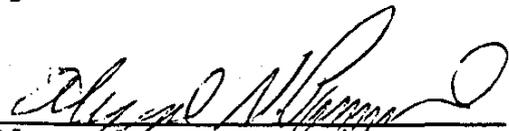
(c) the right to seek judicial review of the Order, including without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

8. Other Government Action Not Affected. Pananides 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 Pananides that may 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.

9. Acknowledgement of 12 U.S.C. § 1818(j). Pananides acknowledges and agrees that Section 8(j) of the FDIA, 12 U.S.C. § 1818 (j), sets forth criminal penalties for knowing violations of this Order.

WHEREFORE, Pananides executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound thereby.

By:


Alexander N. Pananides

Date: August 23, 1994

Accepted by:


JOHN F. ROBINSON
Regional Director, OTS West Region

Date: September 2, 1994