

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

ROBERT A. FERRANTE,)

Former Director and Sole)
Shareholder of)
Consolidated Savings Bank)

Irvine, California.)

Order No. OTS AP 93-18

Dated: March 19, 1993

STIPULATION AND CONSENT
TO ISSUANCE OF ORDER OF PROHIBITION

Respondent, Robert A. Ferrante ("FERRANTE"), former director and sole shareholder of Consolidated Savings Bank, Irvine California, hereby submits this Stipulation and Consent to Order of Prohibition ("Consent") to the Office of Thrift Supervision of the United States Department of the Treasury ("OTS") pursuant to 12 C.F.R. § 509.15 (1992) for purposes of settlement.

The OTS, by and through its Acting Director, and FERRANTE hereby stipulate and agree as follows:

1. Based upon information reported to it, which is contested by FERRANTE, the Federal Home Loan Bank Board, as predecessor to the OTS, initiated an administrative prohibition proceeding against FERRANTE pursuant to Section 407(g) of the National Housing Act, as amended, 12 U.S.C. § 1730(g) (1982). Such an action would be maintained by the OTS under Section 8(e)

of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"), 12 U.S.C. § 1818(e). The parties hereto desire to settle this administrative proceeding and to avoid the time and expense of administrative litigation. Therefore, the parties hereby stipulate and agree to the following terms, in consideration of the forbearance of OTS from continuing such administrative proceeding and in consideration of FERRANTE's forbearance from exercising his rights as set forth in paragraph 7 hereof. FERRANTE neither admits nor denies that grounds exist for an administrative proceeding.

2. Consolidated was a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933, as amended by FIRREA. Accordingly, it was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(c).

3. FERRANTE, as a former director and sole shareholder of Consolidated, is an "institution-affiliated party" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(c).

4. Pursuant to Section 3 of the FDIA as amended by FIRREA, the OTS is the "appropriate Federal banking agency" to maintain enforcement proceedings against such a savings association or its institution-affiliated parties. Therefore, FERRANTE 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, as amended by FIRREA, 12 U.S.C. § 1818(e).

5. FERRANTE 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 law.

6. The Order is issued under Section 8(e) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e). Upon its issuance, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(i).

7. FERRANTE waives his right to the administrative hearing provided by Section 8(e) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e), and further waives his right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

8. FERRANTE acknowledges and agrees that he enters into this Consent willingly and without any coercion or promises of any kind from the OTS or any officer, attorney, agent or employee of the OTS.

9. FERRANTE agrees that this Consent and the Order are for the purpose of resolving this OTS enforcement matter only, and do not compromise, settle, dismiss, resolve, or in any way affect any other civil or criminal proceeding that may be or have been brought against FERRANTE by any other governmental entity.

10. The OTS hereby agrees to dismiss all pending proceedings against FERRANTE with prejudice and release him from any further action by the OTS in connection with Consolidated Savings Bank, Irvine, California.

WHEREFORE, in consideration of the foregoing and intending to be legally bound thereby, the OTS and FERRANTE execute this Stipulation and Consent to Issuance of Order of Prohibition.

OFFICE OF THRIFT SUPERVISION

By:

/S/

~~Jonathan Fiechter~~
~~Acting Director~~

Eric D. Shand
Regional Director, West Region

/S/

ROBERT A. FERRANTE

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ORDER OF PROHIBITION

WHEREAS, Robert A. Ferrante ("FERRANTE") and the Office of Thrift Supervision ("OTS") have executed a Stipulation and Consent to Issuance of Order of Prohibition ("Consent"), which is accepted and approved by the OTS acting through its Regional Director;

WHEREAS, the parties, in the Consent, have consented and agreed to the issuance of this Order of Prohibition ("Order") pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, 103 Stat. 183, 12 U.S.C. § 1818(e);

NOW THEREFORE, IT IS ORDERED that:

1. FERRANTE is prohibited from participating, in any manner, in the conduct of the affairs of Consolidated Savings Bank, Irvine, California, or any holding company or service corporation thereof ("Consolidated").

2. Without the prior written approval of the OTS (and, if

appropriate, another Federal financial institutions regulatory agency), FERRANTE will not hold any office in, or participate in any manner in the conduct of the affairs of, any institution or other entity within the scope of Section 8(e)(7)(A) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e)(7)(A). Pursuant to Section 8(e)(6) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e)(6), conduct covered by this Order includes, inter alia, the solicitation, transfer, or exercise of any voting rights with respect to any securities issued by an insured depository institution.

3. For purposes of this Order, the phrase "participating in the conduct of the affairs" of a financial institution shall not be deemed to preclude FERRANTE from being a customer of a financial institution, or from performing services for financial institutions solely as an independent contractor on an arms-length, case-by-case basis; provided, however, that such services may not be performed in a manner that would make FERRANTE an "institution-affiliated party" as that term is defined at Section 3(u) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(u).

4. The Consent is made a part hereof and is incorporated herein by this reference.

