

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
FREDESWINDA GARCIA-RAMIREZ)
DE FRONTERA,)
Shareholder and Director of)
)
Western Federal Savings Bank)
Mayaguez, Puerto Rico)
_____)

Resolution No.: ATL-92-62

Dated: June 9, 1992

STIPULATION AND CONSENT TO THE ENTRY OF A
CEASE AND DESIST ORDER

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Southeast Region ("Regional Director") and Fredeswinda Garcia-Ramirez De Frontera ("Frontera"), director and shareholder of Western Federal Savings Bank, Mayaguez, Puerto Rico, OTS Docket Number 06275 ("Western" or "Institution"), stipulate and agree as follows:

F.R.J.
1. Consideration. The OTS, based upon information derived from the exercise of its supervisory and regulatory powers, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Frontera, pursuant to § 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b) (1988 & Supp. II 1990). The grounds include the acquisition of shares of Western stock by Frontera personally, by members of her immediate family, and by corporations and partnerships in which Frontera and members of her immediate family have an interest, as follows:

(a) The purchase of shares of Western stock, totaling in excess of ten (10) percent, by Frontera, members of her immediate family and corporations or partnerships in which Frontera or members of her immediate family have an interest, without the prior approval of the OTS, in violation of the Change in Bank Control Act, 12 U.S.C. § 1817(j) (1988 and Supp. II 1990), the Savings and Loan Holding Company Act, 12 U.S.C. Section 1467a

(Supp. II 1990), as amended by the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. No. 102-242, §101 et. seq., 105 Stat. 2236 (1991) ("FDICIA") and 12 C.F.R. Part 574; and,

(b) Frontera, members of her immediate family, and/or partnerships or corporations in which she or they have an interest, failed to file timely reports on Form 4 to disclose transactions, in violation of § 16(a) of the Securities and Exchange Act of 1934 (the "1934 Act"), 15 U.S.C. 78p(a) (1988) and 17 C.F.R. § 240.16a-1 et. seq.

Frontera desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings. Without admitting or denying that such grounds exist, Frontera hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease and desist proceeding against her with respect to, and for so long as she is in compliance with, the provisions covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction

(a) Western is a "savings association" within the meaning of § 3(b) of the FDIA, 12 U.S.C. § 1813(b) (1988 and Supp. II 1990), and § 2(4) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(4) (Supp. II 1990). It is an "insured depository institution" as that term is defined in § 3(c) of the FDIA, 12 U.S.C. § 1813(c), and files reports with the OTS pursuant to § 13 of the 1934 Act.

(b) Frontera, is an "institution-affiliated party" of Western as that term is defined in § 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to § 3(q)(4) of the FDIA, 12 U.S.C. § 1813(q)(4), and § 12(i) of the 1934 Act, 15 U.S.C. § 78n(i) (1988), the Director of the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association or its institution-affiliated parties. Therefore, Frontera is subject to the authority of the OTS to initiate and maintain cease and desist proceedings against her pursuant to § 8(b) of the FDIA, 12 U.S.C. § 1818(b).

3. Consent. Frontera consents to the issuance by the OTS of the accompanying Order. She further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under § 8(b) of the FDIA, 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director, it shall be a final order, effective and fully enforceable by the OTS under the provisions of § 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. Frontera waives her right to a notice of charges and the administrative hearing provided by § 8(b) of the FDIA, 12 U.S.C. § 1818(b), and further waives any right to seek judicial review of the Order, including any such right provided by § 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the OTS, by and through its Regional Director, and Frontera execute this Stipulation and Consent to the Entry of a Cease and Desist Order.

OFFICE OF THRIFT SUPERVISION

By: _____ /S/
John E. Ryan
Regional Director
Southeast Region

FREDESWINDA GARCIA-RAMIREZ DE FRONTERA

_____/S/

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

FREDESWINDA GARCIA-RAMIREZ)

DE FRONTERA)

Shareholder and Director of)

Western Federal Savings Bank)
Mayaguez, Puerto Rico)

Resolution No.: ATL-92-62

Dated: June 9, 1992

ORDER TO CEASE AND DESIST

M.A.F.
WHEREAS, Fredeswinda Garcia-Ramirez de Frontera ("Frontera"), shareholder and director of Western Federal Savings Bank, Mayaguez, Puerto Rico, OTS Docket Number 06275 ("Western" or the "Institution"), has executed a Stipulation and Consent to the Entry of a Cease and Desist Order ("Stipulation"), which Stipulation is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Southeast Region ("Regional Director"); and

WHEREAS, Frontera, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order"), pursuant to § 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b) (1988 & Supp. II 1990).

NOW THEREFORE, IT IS ORDERED that Frontera, Miguel A. Garcia-Mendez ("Garcia-Mendez"), Frank C. Stipes ("Stipes") or Ileana Garcia-Ramirez de Carr ("Carr"), and corporations or partnerships owned or controlled by Frontera, Garcia-Mendez, Stipes or Carr, shall cease and desist from any violation of, or the aiding and abetting of any violation of:

1. 12 U.S.C. § 1817(j) (1988 & Supp. II 1990)
[Change in Bank Control Act],

2. 12 U.S.C. § 1467a (Supp. II 1990), as amended by the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. No. 102-242, §101 et. seq., 105 Stat. 2236 (1991) ("FDICIA")
[S&L Holding Companies],
3. 12 C.F.R. Part 574 (1992)
[Acquisition of Control of S&Ls],
4. 15 U.S.C. § 78p (1988)
[Securities Ownership Reports], or
5. 17 C.F.R. § 240.16a-1, et. seq. (1992)
[Securities Ownership Reports].

IT IS FURTHER ORDERED THAT:

6. No later than 60 days after the effective date of this Order, Frontera, in conjunction with all appropriate members of her immediate family or any corporate or partnership entities that continue to own shares of the Institution's stock as of such date and that are owned or controlled by either Frontera, Garcia-Mendez, Stipes or Carr, shall file a complete Notice of Change in Control (or join in the filing of a complete Notice of Change in Control with Garcia-Mendez and members of his immediate family) with regard to Western with the appropriate OTS offices.

7. Frontera shall not purchase any additional shares of stock in Western during the term of this Order unless the OTS accepts her Notice of Change in Control. However, Frontera may, at any time, purchase additional shares of stock from members of her immediate family or any corporate or partnership entities that are owned or controlled by either Frontera or by any member of her immediate family owning shares of the Institution's stock except that such purchases by Frontera, Garcia-Mendez, Stipes or Carr may not, in the aggregate, exceed 22,500 shares or one and one-half percent (1.5%) of the issued and outstanding stock of Western, whichever is less.

8. Frontera, shall, within 30 days after the effective date of this Order, file all reports required by §§ 13 and 16(a) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78m and 78p (1988 and Supp II. 1990), and any regulations promulgated thereunder by the Securities and Exchange Commission ("SEC") or the OTS, on such forms and with such entities (the OTS, SEC or other) as may be required by said Act or regulations. All future reports that may be required by 15 U.S.C. § 78p(a) or the regulations identified in paragraph 5 of this Order shall be timely filed by Frontera. Such reports shall be considered timely filed if filed in accordance with §240.16a-1(h).

All technical words or terms used in this Order for which meanings are not specified or otherwise provided by the provisions of this Order, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations. Any such technical words or terms used in this Order and undefined in said Code of Federal Regulations shall have meanings that accord with the best custom and usage in the savings and loan industry. For purposes of this Order, references to regulations, bulletins, memoranda and publications shall include any successor regulations, bulletins, memoranda, and publications.

Any time limitations imposed herein shall begin to run from the effective date hereof except as otherwise specifically stated in this Order. Such time limitations may be extended by the Regional Director or his/her designee, in the sole discretion of the Regional Director or the designee, for good cause shown upon written application.

The terms and provisions of this Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. It is understood that the execution of this Order shall not be construed as an approval of any application or notice that is contemplated or has been filed by Frontera. In the event any provision of this Order shall be declared invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Order shall remain in effect until terminated, modified, or suspended by the OTS, acting through the Regional Director or his/her designee.

The OTS is required to disclose this Order. Disclosure of this Order is governed by the provisions of 12 C.F.R. Part 505, 31 C.F.R. Part 1, and § 8(u) of the FDIA, 12 U.S.C. § 1818(u) (Supp. II 1990), or any successor statutes or regulations.

THE OFFICE OF THRIFT SUPERVISION

/S/

By: _____
John E. Ryan
Regional Director
Southeast Regional Office