

avoid the time and expense of such administrative proceedings. Without admitting or denying that such grounds exist, Mr. Rubin hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease and desist proceeding or administrative civil money penalty assessment litigation against him with respect to, and for so long as he is in compliance with, the provisions covered in the accompanying Order to Cease and Desist and Order of Assessment of Civil Money Penalties ("Order").

2. Jurisdiction

(a) The Institution is 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). 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) Gerald S. Rubin, as a majority shareholder of the Institution, is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3(q)(4) of the FDIA, 12 U.S.C. § 1813(q)(4), 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, Gerald S. Rubin is subject to the authority of the OTS to initiate and maintain cease and desist and civil money penalty proceedings against him pursuant to Sections 8(b), and 8(i), of the FDIA, 12 U.S.C. § 1818(b), and § 1818(i).

3. Consent. Gerald S. Rubin consents to the issuance by the OTS of the accompanying Order. He 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 Sections 8(b) and 8(i) of the FDIA, 12 U.S.C. § 1818(b), and § 1818(i). Upon its issuance by the Regional Director, 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.

(a) Gerald S. Rubin waives his right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, 12 U.S.C. § 1818(b), the Notice of Assessment of Civil Money Penalty and the administrative hearing provided by Sections 8(i) and 18(j) of the FDIA, 12 U.S.C. § 1818 (i) and § 1828(j), and further waives any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA,

Gerald S. Rubin,, Stip/C&D & CMPs (6/92)
Encino Savings Bank, Encino, CA (7055)
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12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

(b) Gerald S. Rubin acknowledges and agrees that this Stipulation, the Order and the payment of any monies or providing any other financial relief as contemplated by the Order does not compromise, settle, dismiss, resolve, or in any way affect any civil actions, charges against, or liability of Mr. Rubin that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation or any other governmental entity other than the OTS.

(c) Gerald S. Rubin acknowledges and agrees that the preceding, the assessment or payment of penalty contemplated as part of the resolution thereof, and Mr. Rubin consents to the entry of the Order is for the purpose of resolving this OTS enforcement action only, and does not resolve, affect or preclude any other civil or criminal proceeding which may be or have been brought against Mr. Rubin by the OTS or another governmental entity.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the OTS, by and through its Regional Director and Gerald S. Rubin execute this Stipulation and Consent to the Entry of a Cease and Desist Order and Order of Assessment of Civil Money Penalties.

OFFICE OF THRIFT SUPERVISION

/S/

By: _____

Eric D. Shand
Regional Director
West Region

/S/

Gerald S. Rubin

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

GERALD S. RUBIN,)
Shareholder of)

Encino Savings Bank)
Encino, California)

Resolution No.: SF-92-024

Dated: July 21, 1992

ORDER TO CEASE AND DESIST AND ORDER OF
ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, Gerald S. Rubin, shareholder of Encino Savings Bank, Encino, California, OTS Docket Number 7055 ("Institution"), has executed a Stipulation and Consent to the Entry of a Cease and Desist Order and Order of Assessment of Civil Money Penalties ("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 West Region ("Regional Director"); and

WHEREAS, Gerald S. Rubin, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist and Order of Assessment of Civil Money Penalties ("Order"), pursuant to Sections 8(b), and 8(i)(2), of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b), and § 1818(i)(2), (1988 & Supp. II 1990).

NOW THEREFORE, IT IS ORDERED that Gerald S. Rubin, and corporations or partnerships owned or controlled by him, and any other persons or entities deemed to be acting-in-concert with Mr. Rubin pursuant to 12 C.F.R. Part 574, shall cease and desist from any violation of, or the aiding and abetting of any violation of:

1. 12 U.S.C. § 1817(j) [Change in Bank Control Act], or
2. 12 C.F.R. Part 574 [Acquisition of Control of S&Ls].

IT IS FURTHER ORDERED THAT:

3. Within 60 days after the effective date of this Order, Gerald S. Rubin, and any corporate or partnership entities that own shares of the Institution's stock and that are owned or controlled by Mr. Rubin, and any other persons or entities deemed to be acting-in-concert with Mr. Rubin pursuant to 12 C.F.R. Part 574, shall transfer the shares of the Institution's stock, in excess of 9.9 percent ("Excess Shares") in the aggregate, that they own or control, directly or indirectly, to a trust properly endorsed for transfer or accompanied by fully endorsed stock powers. The trust terms and the trustee shall be approved in advance by the Regional Director or his designee. Such approval shall be made in the sole discretion of the Regional Director or his designee. During the period the trustee has possession of the Excess Shares, Gerald S. Rubin, nor any corporate or partnership entities that are owned or controlled by him nor any other persons or entities deemed to be acting-in-concert with Mr. Rubin pursuant to 12 C.F.R. Part 574, shall exercise any control, directly or indirectly, over the Excess Shares and shall not exercise any control, directly or indirectly, over said trust or trustee, except that Mr. Rubin may direct the trustee to sell all or a portion of the Excess Shares.

4. The trustee shall vote the Excess Shares on a pro-rata basis in accordance with the votes of the Institution's other common stockholders. To effect this requirement, the trustee shall provide written instructions to the Institution's Secretary that the Excess Shares shall be voted on this basis and shall furnish a copy of such instructions to the Regional Director. Gerald S. Rubin, shall promptly take whatever action may be requested by the trustee to enable the trustee to take such actions.

5. The trustee shall not exercise or attempt to exercise, directly or indirectly, control or a controlling influence over the management or policies of the Institution. While the trustee has possession of the Excess Shares, the trustee shall not directly or indirectly:

a. Seek or accept any representation on the board of directors of the Institution;

b. Have or seek to have any representative serve on an executive or similar committee of the board of directors of the Institution;

c. Engage in any transactions with the Institution;

d. Influence or attempt to influence in any respect the loan and credit decisions or policies of the Institution;

e. Influence or attempt to influence the dividend policies and practices of the Institution or any decision or policies of the Institution as to the offering or exchange of any shares of stock;

f. Have or seek to have any representative serve as an officer, agent, or employee of the Institution;

g. Propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the management or board of directors of the Institution;

h. Solicit proxies or participate in any solicitation of proxies with respect to any matter presented to the stockholders of the Institution; or

i. Seek to amend, or otherwise take action to change, the bylaws, articles of incorporation, or charter of the Institution.

6. For so long as any Excess Shares remain with the trustee, Gerald S. Rubin, nor any corporate or partnership entity owned or controlled by him nor any other persons or entities deemed to be acting-in-concert with Mr. Rubin pursuant to 12 C.F.R. Part 574 shall engage in any of the prohibited activities listed above at Paragraph 9(a) through (i).

7. Within one year (365 days) after the effective date of this Order, Gerald S. Rubin, and any corporate or partnership entities that own shares of the Institution's stock and that are owned or controlled by Mr. Rubin and any other persons or entities deemed to be acting-in-concert with Mr. Rubin pursuant to 12 C.F.R. Part 574 shall either (a) arrange for and consummate the sale and transfer of a sufficient number of shares of the Institution's stock owned or controlled by them, directly or indirectly, to bring the aggregate total of their stock ownership and control of the Institution to a level at or below 9.9 percent of the total outstanding shares of stock of the Institution; or (b) file with the OTS such Notice of Change in Control or other appropriate application or notice, as required by 12 C.F.R. Part 574, and receive all necessary OTS approvals to permit them to own or control total aggregate shares of the Institution in excess of 9.9 percent of the total outstanding shares of stock of the Institution.

8. If for any reason, the stock ownership of Gerald S. Rubin, and any corporate or partnership entities owned or controlled by him, or any other person or entity acting in concert with Mr. Rubin, shall, in the aggregate, falls below ten (10) percent of the outstanding shares of the Institution, the trust may be dissolved, the voting instructions to the Secretary of the Institution may be rescinded and the Excess Shares still held by the trust returned to Mr. Rubin, or any corporate or partnership entities owned or controlled by him, any other persons or entities deemed to be acting-in-concert with Mr. Rubin, as appropriate.

9. Within 30 days after the effective date of this Order, Gerald S. Rubin, shall submit to the OTS a check for the sum of \$1,000, made payable to the Treasurer of the United States.

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

