

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

In the Matter of:)	Resolution No. SF-92-025
)	
JAMES L. FRANKLIN, an)	Dated: July 22, 1992
affiliated party of Golden)	
State Bank, F.S.B. (formerly)	
known as Sherman Oaks Savings)	
Bank), Sherman Oaks, California,)	
)	
Respondent.)	

STIPULATION AND CONSENT TO ENTRY OF
ORDER OF PROHIBITION AND ASSESSMENT
OF CIVIL MONEY PENALITIES

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the West Region, and Respondent James L. Franklin ("Respondent Franklin") a shareholder in the holding company of Golden State Bank, F.S.B. (formerly known as Sherman Oaks Savings Bank), Sherman Oaks, California ("Golden State") hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information gathered in the examination and supervisory process, is of the opinion that grounds exist to initiate administrative prohibition and civil money penalty assessment proceedings against Respondent Franklin pursuant to 12 U.S.C. § 1818. Respondent Franklin desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, while neither admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance of the OTS from initiating such administrative enforcement proceedings based on or

arising from his role or activities as a person participating in the affairs of Golden State or its holding company.

This Stipulation and Consent, the Order and the payment by Respondent Franklin 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 Respondent Franklin that arises pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation ("RTC") or any other governmental entity other than the OTS.

Respondent Franklin acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and Respondent Franklin's consent to the entry of the Order are for the purposes of resolving this OTS enforcement action only, and do not resolve, affect or preclude any other civil or criminal proceeding which may be or have been brought against Respondent Franklin by the OTS or another governmental entity.

By signing this document, Respondent Franklin agrees that he will not assert the assessment or payment of this penalty as the basis for the claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or another governmental entity.

The OTS is expressly relying upon the truth and accuracy of the financial information submitted by Respondent Franklin on or about March 24, 1992.

2. Jurisdiction.

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

(b) Respondent Franklin 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(u)(2).

(c) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the OTS is the "appropriate federal banking agency" to maintain an enforcement proceeding against such a savings association, its holding company or its institution-affiliated parties. Therefore, Respondent Franklin is subject to the authority of the OTS to initiate and maintain a proceeding against him pursuant to Section 8 of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818.

3. Consent. Subject to the terms of this Stipulation, Respondent Franklin consents to the issuance by the OTS of the accompanying Order of Prohibition and Assessment of Civil Money Penalties ("Order"). Respondent Franklin and the OTS agree to comply with its terms upon issuance and stipulate that the Order complies with all requirements of law.

4. Deposit and Transfer of Stock. Respondent Franklin agrees to revoke all proxies granted by him at any time with respect to his shares of stock in Sherman Oaks Financial Corporation ("SOFC"), its subsidiaries and/or service corporations (hereinafter collectively referred to as "the Shares"). Respondent Franklin

further agrees to endorse over and to deposit with the Secretary of SOFC certificates representing all of the Shares, along with instruments of transfer as may be necessary to enable the Secretary to cause title to be transferred, in SOFC. Such transfer of the Shares to occur within thirty (15) days of the date of the execution of the Order by the OTS.

5. Civil Money Penalties. Within ten (10) days from the date an Order is issued pursuant to the terms of this Stipulation, Respondent Franklin agrees to pay a civil money penalty of two thousand five hundred dollars (\$2,500) by tendering a check to the OTS in that amount made payable to the Treasurer of the United States.

6. Finality. The Order is issued under Section 8 of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818. Upon its issuance by the Regional Director for the West Region, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(1) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(i).

7. Waivers. Respondent Franklin waives his right to an administrative hearing provided by Section 8 of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818 for this proceeding, 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 challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Regional Director for the West Region,

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DEPARTMENT OF THE TREASURY

In the Matter of:)	Resolution No.: SF-92-025
JAMES L. FRANKLIN, an affiliated)	Dated: July 22, 1992
party of Golden State Bank,)	
F.S.B. (formerly known as)	
Sherman Oaks Savings Bank),)	
Sherman Oaks, California,)	
Respondent.)	

ORDER OF PROHIBITION AND
ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, James L. Franklin ("Respondent Franklin") has executed a Stipulation and Consent to Issuance of Order of Prohibition and Assessment of Civil Money Penalties ("Stipulation"), which has been accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the West Region; and

WHEREAS, Respondent Franklin, in the Stipulation, has 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"), 12 U.S.C. § 1818(e); and

WHEREAS, Respondent Franklin, in the Stipulation, has consented to this issuance of a civil money penalty assessment pursuant to 12 U.S.C. Sections 1818(i)(2); Accordingly,

IT IS THEREFORE ORDERED that:

1. Within ten (10) days of the date of this Order, Respondent Franklin shall pay to the OTS the sum of two thousand five hundred dollars (\$2,500.00) by tendering a check to the OTS in that amount made payable to the Treasurer of the United States; and

2. Respondent Franklin is prohibited from further participation, in any manner, in conduct of the affairs of Sherman Oaks Financial Corporation ("SOFC"), Golden State Bank, F.S.B. ("Golden State"), Sherman Oaks, California, its subsidiaries or service corporations.

3. Without the prior written approval of the OTS (and, if appropriate, another federal financial institution regulatory agency), Respondent Franklin may not, after the effective date of this Order, hold any office in, or participate in any manner in the conduct of the affairs of any institution(s) or other entity as set forth in 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 prohibited by this Order includes, inter alia, the solicitation, transfer, or exercise of any voting rights with respect to any securities issued by any insured depository institution or its holding company, except as is expressly set forth in the Stipulation.

4. Respondent Franklin, in accordance with the terms of the Stipulation, shall immediately endorse over and deposit certificates representing all of his shares of stock in SOFC, its subsidiaries and service corporations, with the Secretary of SOFC,

along with instruments of transfer as may be necessary to enable the Secretary to cause title to the shares to be transferred to SOFC as treasury stock.

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

6. This Order is subject to the provisions of Section 8(j) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(j).

OFFICE OF THRIFT SUPERVISION

Dated: 7/22/92

By: /S/
ERIC D. SHAND
Regional Director
Office of Thrift Supervision
West Region