

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)	Resolution No. SF-91-015
)	
FRANK LEMBI, Vice Chairman of)	Date: April <u>19</u> , 1991
Continental Savings and Loan)	
Association; and WALTER LEMBI,)	
Chairman of the Board of)	
Continental Savings and Loan)	
Association)	
)	

STIPULATION AND CONSENT TO
ISSUANCE OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director, and Frank Lembi, Vice Chairman of the Board of Directors ("Board") of Continental Savings and Loan Association, San Francisco, California ("Continental") and Walter Lembi, Chairman of the Board of Continental (hereinafter collectively referred to as the "Lembis"), stipulate and agree as follows.

1. Consideration. The OTS, based upon information it has obtained and reviewed, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against the Lembis pursuant to Section 8(b) 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"), codified at 12 U.S.C. § 1818(b). The Lembis desire to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulate and agree to the following terms in consideration of the forbearance by the OTS of

the initiation of such administrative cease-and-desist against the Lembis with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction. The Lembis are "institution-affiliated parties" as that term is defined in 12 U.S.C.A. § 1813(u)(1). As institution-affiliated parties of Continental, the Lembis are subject to the OTS' authority to maintain cease and desist proceedings.

3. Consent. The Lembis consent to the issuance by the OTS of the Order. They further agree to comply with the terms of the Order upon issuance and stipulate that the Order complies with all requirements of the law.

4. Finality. The Order is issued under Section 8(b) of the FDIA, as amended by FIRREA, codified at 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.

5. Waivers. The Lembis waive their right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA, codified at 12 U.S.C. § 1818(b), and further waives any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, as amended by FIRREA, codified at 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Regional Director, and the Lembis, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

/S/
Frank Lembi

April 18, 1991
Date

/S/
Walter Lembi

4/15/91
Date

THE OFFICE OF THRIFT SUPERVISION

/S/
By: Michael Patriarca
Regional Director, West Region

(lembis.stp 21/10)

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FRANK LEMBI, Vice Chairman of)	Date: April <u>19</u> , 1991
Continental Savings and Loan)	
Association; and WALTER LEMBI,)	
Chairman of the Board of)	
Continental Savings and Loan)	
Association)	

ORDER TO CEASE AND DESIST

WHEREAS, Frank Lembi, Vice Chairman of the Board of Directors ("Board") of Continental Savings and Loan Association ("Continental") and Walter Lembi, Chairman of the Board of Continental (hereinafter collectively referred to as the "Lembis") have executed a Stipulation and Consent to Issuance of Order to Cease and Desist ("Stipulation") which is incorporated here by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director; and

WHEREAS, the Lembis, in the Stipulation, and by their signatures hereto, have consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act, as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") codified at 12 U.S.C. § 1818(b).

I. ORDER

NOW THEREFORE IT IS ORDERED that the Lembis:

1. Adhere to the conflicts of interest policies of Continental that are approved by OTS;
2. Inform the Board of any existing transaction between Continental and Skyline which could potentially affect Continental;
3. Use their best efforts to prevent Skyline or any other company controlled or owned by Frank or Walt Lembi from entering into any new transactions with Continental; and
4. Shall take whatever steps are necessary to ensure full compliance with this Order.

II. DEFINITIONS

1. 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 the Code of Federal Regulations, Title 12, Chapter V; or as defined in FIRREA, the FDIA, or the Home Owners Loan Act of 1933 ("HOLA"), and any such words or terms undefined in the foregoing shall have meanings that accord with the best custom and usage in the savings association industry.

III. EFFECTIVENESS

1. This Order is effective immediately.
2. This Order shall remain effective and enforceable until such time as the OTS shall dismiss this final Order.

/S/

Frank Lembi

April 18, 1991
Date

/S/

Walter Lembi

4/18/91
Date

THE OFFICE OF THRIFT SUPERVISION

/S/

By: Michael Patriarca
Regional Director, West Region

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