

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	
RICHARD B. WELLS,)	Order No.: <u>SF-06-005</u>
Former Director of)	Date: <u>September 1, 2006</u>
San Luis Trust Bank, FSB,)	
San Luis Obispo, California.)	
(OTS No. 15051))	
_____)	

STIPULATION AND CONSENT TO THE ISSUANCE OF AN
ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, the Office of Thrift Supervision (OTS), based upon information derived from the exercise of its regulatory responsibilities, has informed Richard B. Wells (RICHARD WELLS), former Director of San Luis Trust Bank, FSB, San Luis Obispo, California (SLTB), OTS No. 15051, that grounds exist to initiate an administrative civil money penalty assessment proceeding against him pursuant to 12 U.S.C. § 1818(i);¹ and

WHEREAS, RICHARD WELLS desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of the OTS, except as to Jurisdiction, paragraph 1, below, which is admitted, hereby stipulates and agrees to the following:

¹ All references to the United States Code (U.S.C.) are as amended, unless otherwise indicated.

1. Jurisdiction. (a) SLTB is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, it is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c);

(a) RICHARD WELLS was a Director of SLTB until May 31, 2006, and therefore is an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u); and

(b) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal Banking agency” to maintain an administrative civil money penalty assessment proceeding against such a savings association or its institution-affiliated parties. Therefore, RICHARD WELLS is subject to the jurisdiction of the OTS to initiate and maintain a civil money penalty assessment proceeding against him pursuant to 12 U.S.C. § 1818(i). The Director of the OTS has delegated to the Regional Director of the West Region of the OTS or his designee (Regional Director) the authority to issue orders of assessment of civil money penalties where the individual has consented to the issuance of the order.

2. OTS Findings of Fact. The OTS finds that, as a Director of SLTB, RICHARD WELLS breached his fiduciary duty to the institution and violated 12 C.F.R. § 563.200 when he failed to disclose to the Board all material and non-privileged information, including the existence, nature and extent of his interests in the purchase of a property with an SLTB customer that was funded by SLTB loans to RICHARD WELLS and the customer. The failure to disclose all material information related to this transaction, both in connection with the approval of the loans to the customer and to RICHARD WELLS breached his duty of loyalty to the institution and advanced his interest and the interest of others with whom he had an ongoing business relationship at the expense of SLTB.

3. Consent. RICHARD WELLS consents to the issuance by the OTS of the accompanying Consent Order of Assessment of Civil Money Penalties (Order). RICHARD

WELLS 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 12 U.S.C. § 1818(i). Upon its issuance by the OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers. RICHARD WELLS waives the following:

(a) The right to be served with a written notice of assessment of civil money penalties against him as provided by 12 U.S.C. § 1818(i);

(b) The right to an administrative hearing of the OTS's charges against him as provided by 12 U.S.C. § 1818(i);

(c) The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;

(d) Any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504 or 28 U.S.C. § 2412; and

(e) The right to assert this proceeding, his consent to issuance of the Order, the issuance of the Order, the payment of any monies or the provision of any other financial relief as contemplated by the Order as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

6. Miscellaneous.

(a) The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America;

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SAN LUIS TRUST BANK, FSB,)
San Luis Obispo, California.)
(OTS No. 15051))
_____)

Order No.: SF-06-005

Date: September 1, 2006

**CONSENT ORDER OF
ASSESSMENT OF CIVIL MONEY PENALTIES**

WHEREAS, Richard B. Wells (RICHARD WELLS) has executed a Stipulation and Consent to the Issuance of an Order of Assessment of Civil Money Penalties (Stipulation) on August 30, 2006; and

WHEREAS, RICHARD WELLS, by his execution of the Stipulation, has consented and agreed to the issuance of this Consent Order of Assessment of Civil Money Penalties (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1818(i).¹

NOW THEREFORE, IT IS ORDERED that:

1. Within ten (10) calendar days of the date of this Order, RICHARD WELLS shall pay to the Office of Thrift Supervision the sum of \$5,000.00, by tendering a certified check or bank draft made payable to the order of the Treasurer of the United States. The check or bank draft and a copy of the Order shall be delivered, together with a cover letter stating the name of

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