

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:
DONALD J. SCHAFER,
Former Chief Executive Officer
and Director of
FINANCIAL SAVINGS AND LOAN
ASSOCIATION,
Fresno, California

Re: Enforcement Review
Committee Resolution
~~NO. ERC 98~~
SF-90-012
Dated: August 24, 1990

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Enforcement Review Committee ("ERC"), and DONALD J. SCHAFER, the former Chief Executive Officer and a former Director of Financial Savings and Loan Association, Fresno, California, and its subsidiaries ("Financial") hereby stipulate and agree to the following:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that grounds exists to initiate an administrative cease and desist proceeding against DONALD J. SCHAFER 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") (to be codified at 12 U.S.C. § 1818(b)).

DONALD J. SCHAFER desires 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 stipulates and agrees to the terms of this Stipulation and Consent to Issuance of Order to Cease and Desist ("Stipulation"). The OTS, desiring to promote the safe and sound operation of Financial without investing time and expense into an administrative litigation proceeding, hereby stipulates and agrees to forbear from initiating administrative litigation in connection with proper managerial and director oversight of the sale of Finsav Mortgage Corporation, a former subsidiary of Financial.

2. Jurisdiction. (a) Financial is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933, as amended by the FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. § 1818(c)).

(b) Pursuant to Section 3 of the FDIA, as amended by the FIRREA, the Director of OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against Financial or any of its "institution-affiliated parties." Therefore, DONALD J. SCHAFER, a former officer and director of Financial, is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against him pursuant to Section 8(b) of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. § 1818(b)).

3. Consent. DONALD J. SCHAFER consents to the issuance by

the OTS of the attached Order to Cease and Desist ("Order"). DONALD J. SCHAFER 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 Section 8(b) of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. § 1818(b)). Upon its issuance by the ERC, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by the FIRREA (to be codified at 12 U.S.C. § 1818(i)).

5. Waivers. DONALD J. SCHAFER waives his right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by the FIRREA (to be 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 the FIRREA (to be codified at 12 U.S.C. § 1818(h)), or otherwise to challenge the validity of the Order.

6. Other Regulatory Action. By executing this Stipulation, the OTS does not relinquish the right to take any additional regulatory action. DONALD J. SCHAFER hereby stipulates that he has not received any oral or written representations from the OTS that the OTS has relinquished any other rights it may have to pursue other regulatory action. OTS does not presently know of any additional matters warranting further enforcement action and therefore does not anticipate any further enforcement action against Donald J. Schafer at this time.

WHEREFORE, in consideration of the foregoing, the OTS, by and

through the ERC, and DONALD J. SCHAFER execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

By:

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~~ROSEMARY STEWART~~
Rosemary Stewart
Secretary, Enforcement Review
Committee and Director of
Enforcement

Date:

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~~DONALD J. SCHAFER~~
Donald J. Schafar

Date:

APRIL 17, 1990

By:

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Michael Patriarca
District Director
Eleventh District Office
Office of Thrift Supervision

Date:

24 August '90

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of:)	Re: Enforcement Review
DONALD J. SCHAFER,)	Committee Resolution
Former Chief Executive Officer)	NO. ERC 98
and Director of)	SF-90-012
FINANCIAL SAVINGS AND)	Dated: August 24, 1990
LOAN ASSOCIATION,)	
Fresno, California)	

ORDER TO CEASE AND DESIST

WHEREAS, DONALD J. SCHAFER, the former Chief Executive Officer and a former Director of Financial Savings and Loan Association, Fresno, California, and its subsidiaries ("Financial"), has executed the attached Stipulation and Consent to Issuance of Order to Cease and Desist ("Stipulation") which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Enforcement Review Committee; and

WHEREAS, DONALD J. SCHAFER, in the Stipulation has 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") (to be codified at 12 U.S.C. § 1818(b)).

NOW THEREFOR, IT IS ORDERED that DONALD J. SCHAFER, as former Chief Executive Officer and Director of Financial, shall notify the Assistant District Director the Eleventh District of OTS in charge of regulatory supervision of Financial ("Assistant District Director") of his intention to become a director, officer, employee, consultant, or agent of or for any institution with deposits insured by the Savings Association Insurance Fund ("SAIF") or the Bank Insurance Fund ("BIF"). DONALD J. SCHAFER shall not accept a position as director, officer, employee, consultant, or agent of or for an institution with deposits insured by the SAIF or the BIF unless he receives the prior written concurrence of the Assistant District Director. In the event that at the time DONALD J. SCHAFER proposes to become a director, officer, employee, consultant, or agent of an institution with deposits insured by the SAIF or the BIF Financial no longer exists as savings association, DONALD J. SCHAFER must receive the prior written concurrence of the Deputy District Director of the Eleventh District of OTS, prior to accepting any such position.

Nothing in this Order shall be construed as prohibiting DONALD J. SCHAFER from making application to the Assistant District Director

(or Deputy District Director, when appropriate) to become a director, officer, employee, consultant, or agent of an institution with deposits insured by the SAIF or the BIF.

THE OFFICE OF THRIFT SUPERVISION

By:

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~~ROSA MARÍA XXXXXXXXXXXXX~~
Secretary, Enforcement Review
Committee and Director of
Enforcement

By:

15/
Michael Patriarca
District Director
Eleventh District Office
Office of Thrift Supervision