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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of
Pan American Savings Bank
San Mateo, California

Re: Resolution No. SF-90-008

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its ^{Regional} District Director for the ~~Eleventh District Office~~ ^{Western Regional}, OTS, and Pan American Savings Bank, San Mateo, California ("Pan American"), stipulate and agree as follows:

1. Consideration. The OTS based upon information reported to it, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Pan American 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)). Pan American desires to cooperate with the OTS 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 following terms in consideration of the forbearance by the OTS from initiating such administrative cease-and-desist litigation against Pan American with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) Pan American 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

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FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(c)).

(b) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the Director of OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such a savings association. Therefore, Pan American is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against it pursuant to Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)).

3. Consent. Pan American consents to the issuance by the OTS of the Order. It 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 FIRREA (to be codified at 12 U.S.C. § 1818(b)). Upon its issuance by the ^{Regional} District Director for the ^{Western Regional} ~~Eleventh District Office~~, OTS 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 FIRREA (to be codified at 12 U.S.C. § 1818(i)).

5. Waivers. Pan American waives its right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by 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 FIRREA (to be 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} District Director for the ^{Western Regional} ~~Eleventh District Office~~, OTS and Pan American, by a

majority of its directors, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

PAN AMERICAN SAVINGS BANK
by a majority of its directors

By: 151
Michael Patriarca
Regional District Director
~~Eleventh District Office~~
WESTERN REGION

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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
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Pan American Savings Bank)
San Mateo, California)
_____)

Re: Resolution No. SF-90-008

October 2, 1990

ORDER TO CEASE AND DESIST

WHEREAS, Pan American Savings Bank, San Mateo, California ("Pan American"), through its directors, has executed a Stipulation and Consent to Issuance of Order to Cease and Desist, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Western Region; and

WHEREAS, Pan American, 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 THEREFORE, IT IS ORDERED that Pan American and its directors,

officers, employees, agents and service corporations shall cease and desist from any violation of, or the aiding and abetting of any violation of 12 C.F.R. 561.60; 12 C.F.R. 563.160; 12 C.F.R. 563.161; 12 C.F.R. 563.170; 12 C.F.R. 563.176; or 12 C.F.R. 563.233, and shall cease and desist from engaging, aiding or abetting in any unsafe or unsound practices.

IT IS FURTHER ORDERED that:

1. Within 60 days of this Order Pan American must hire an internal auditor, subject to the prior written approval of OTS, and within 120 days establish and implement a comprehensive internal control and audit program to correct the deficiencies noted in the 1990 Report of Examination. The program must include review of, and adherence to, all Board approved policies and procedures.
2. Within 30 days of this Order Pan American must engage an independent audit firm, subject to the prior written approval of OTS, to perform a complete review of accounting controls. Within 60 days of this Order the review must be completed. Within 90 days of this Order noted examination deficiencies must be corrected.
3. Within 30 days of this Order Pan American must correct the IAR deficiencies cited in the 1990 Report of Examination, submit revised policies and procedures to this Office for review and approval, and adhere to Board policy.
4. Within 30 days of this Order Pan American must correct the GVA deficiencies cited in the 1990 Report of Examination, submit revised policies and procedures to this Office for review and approval, and adhere to Board policy.
5. Within 30 days of this Order Pan American must correct the REO

