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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
Amador Valley Savings and)
Loan Association)
Pleasanton, California)

Re: Resolution No. SF-90-009

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 ^{WESTERN REGIONAL} ~~Eleventh District~~ Office, OTS, and Amador Valley Savings and Loan Association, Pleasanton, California ("Amador"), 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 Amador 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)). Amador 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 Amador with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) Amador 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) 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, Amador 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. Amador 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. Amador 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

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In the Matter of
Amador Valley Savings and
Loan Association
Pleasanton, California

Re: Resolution No SF-90-009

ORDER TO CEASE AND DESIST

WHEREAS, Amador Savings and Loan Association, Pleasanton, California ("Amador"), 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 Regional Office; and

WHEREAS, Amador, 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 Amador 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. 563.176; 12 C.F.R. 566.1; or 12 C.F.R. 566.2; shall use their best efforts in conjunction with their fiduciary duties to seek compliance with 12 C.F.R. 567.2, including the filing of a revised capital plan meeting the requirements of OTS Regulation 567.10 and Office of Thrift Supervision, Thrift Bulletin 36(a) by October 31, 1990; and shall cease and desist from engaging, aiding or abetting in any unsafe or unsound practices.

IT IS FURTHER ORDERED that:

1. Within 90 days of this Order Amador must comply with the Supervisory Action cited on page 12 of the 1990 Report of Examination regarding IAR deficiencies, and further, Amador must immediately, and continue to, adhere to its Board's IAR policy.

2. Within 45 days of this Order Amador must comply with the Supervisory Action cited on page 13 of the 1990 Report of Examination regarding GVA deficiencies and submit revised policies and procedures to this Office for review and approval, and further, Amador must immediately, and continue to, adhere to its Board's GVA policy.

3. Within 90 days of this Order Amador must comply with the Supervisory Action cited on page 20 in the 1990 Report of Examination regarding IRR deficiencies and submit revised policies and procedures to this office for review and approval, and further, Amador must immediately, and continue to, adhere to its Board's IRR policy.

4. Within 30 days of this Order Amador Valley S&LA must comply with the Supervisory Action cited on page 24 of the 1990 Report of Examination regarding Loan Sales and submit Loan Sales policies and procedures to this Office for review and approval, and further, Amador must immediately, and continue to, adhere to its Board's Loan Sales policy.

5. Within 90 days of this Order Amador Valley S&LA must comply with the Supervisory Action cited on page 14 of the 1990 Report of Examination regarding Loan Collections and submit revised policies and procedures to this office for review and approval, and further, Amador must immediately, and continue to, adhere to its Board's Loan Collections policy.

6. Within 30 days of this Order Amador Valley S&LA must comply with the Supervisory Action cited on pages 11 and 14 of the 1990 Report of Examination regarding Equity Credit Line, Appraisals, and Employee Loans and submit revised policies and procedures to this Office for review and approval, and further, Amador must immediately, and continue to, adhere to its Board's Equity Credit Line, Appraisals, and Employee Loan policies.

7. Within 90 days of this Order Amador Valley S&LA must comply with the Supervisory Actions cited on pages 5 and 6 of the 1990 Report of Examination regarding accounting controls and an independent internal audit function.

8. Within 90 days of this Order Amador Valley S&LA must comply with the Supervisory Action cited on page 6 of the 1990 Report of Examination regarding

electronic data processing and submit a plan for the thorough review of electronic data processing controls and disaster recovery and submit an implementation plan to correct deficiencies by December 31, 1991, and further Amador must submit quarterly progress reports regarding the implementation beginning April 1, 1991.

THE OFFICE OF THRIFT SUPERVISION

By: MS/
Michael Patriarca
Regional Director
Western Regional Office

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