

96355

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
COLORADO FSB,)
)
Greenwood Village, Colorado.)
OTS Docket No. 08876)
_____)

Order No.: WE-08-005
Effective Date: March 14, 2008

**ORDER TO CEASE AND DESIST
FOR AFFIRMATIVE RELIEF**

WHEREAS, Colorado FSB, Greenwood Village, Colorado, OTS Docket No. 08876 (Savings Association), by and through its Board of Directors (Board) has executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS, Savings Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the West Region (Regional Director), is authorized to issue consent Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

- I. The Savings Association and its directors, officers, and employees shall cease and desist from any action (alone or with others) for or toward, causing, bringing about, participating in or

counseling or the aiding and abetting of any unsafe or unsound practice that precipitated the high level of classified assets.

II. Business Plan

Within thirty (30) days from the effective date of this Order, the Savings Association shall submit an acceptable Business Plan (Plan) to the Regional Director that includes a specific description of the actions the Savings Association proposes to take, or has taken, to ensure the safe and sound condition of the institution. At a minimum, the Plan shall include:

A. Increasing capital levels at the Savings Association to, and maintaining them at, 8 percent Tier 1 (Core) Capital and 12 percent Total Risk-Based Capital, and providing an acceptable timeline for the initial infusion of the required capital into the Savings Association.

B. Reducing the concentration of classified assets to an amount no greater than 60 percent of Tier One (Core) Capital by December 31, 2008 and to an amount no greater than 30 percent of Tier One (Core) Capital by December 31, 2009.

C. Providing monthly projections of the reduction in the concentration of classified assets, together with detailed information about the method to achieve the reduction for each classified asset (e.g., sales, payoffs etc.).

D. Providing monthly projections of core operations profitability, including the level of lending activity and volume and types of loans to be originated as well as a description of the channels through which they are projected to be sold.

E. Providing a description of the sources of liquidity for the Savings Association, including a description of any and all back-up liquidity facilities and the conditions under which they may be accessed.

F. Providing a description of any and all controls over the Savings Association's lending operations, either currently in place or to be implemented.

G. The Board shall submit the Plan to the Regional Director for his review and comment. The Board shall revise the Plan as required by the Regional Director within fifteen (15) days of receiving his comments. The Plan, as modified by the comments of the Regional Director, shall be subject to this Order and any deviation from such Plan shall be a violation of this Order.

H. Starting with the month in which the Plan is finalized, and for each month thereafter, Savings Association management shall provide to OTS a report describing the Savings Association's progress in meeting the projections of the Plan. Such reports shall be produced no later than the 10th calendar day of each month reporting on the performance in the preceding month.

III. Operating Restrictions

A. The Savings Association is and shall be subject to the requirements and limitations set out in Subpart H of Part 563 of the OTS's regulations (12 C.F.R. §§ 563.550 - .590). Without limitation on such requirements and limitations, this means, among other things, that, except as otherwise permitted by 12 C.F.R. § 563.590: (i) the Savings Association must notify the OTS at least thirty (30) days before adding or replacing any member of its Board, employing any person as a senior executive officer, or changing the responsibilities of any senior executive officer so that the person would assume a different senior executive officer position; and (ii) the proposed director or senior executive officer may not begin service except as permitted by 12 C.F.R. § 563.585 and 12 U.S.C. § 1831i.

B. The Savings Association shall not enter into, renew, extend or revise any contractual arrangement related to compensation or benefits with any director or senior executive officer of the Savings Association unless the Savings Association first: (i) provides a minimum of thirty (30) days advance notice of the proposed transaction; and (ii) receives a written notice of non-objection from the OTS. See OTS Examination Handbook § 310 (p. 310.17) and OTS Regulatory Bulletin 27b.

C. The restrictions at 12 C.F.R. Part 359 are applicable to the Savings Association. Accordingly, the Savings Association shall not make or agree to make any “golden parachute payment,” as that term is defined in 12 U.S.C. §1828(k) and in 12 C.F.R. Part 359, except as expressly permitted by those provisions.

IV. Effective Date, Incorporation of Stipulation

This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

V. Duration

This Order shall remain in effect until terminated, modified or suspended, by written notice of such action by OTS, acting by and through its authorized representatives.

VI. Time Calculations

A. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be calendar based, unless otherwise noted.

B. The Regional Director, or an OTS authorized representative, may extend any of the deadlines set forth in the provisions of this Order upon written request by Savings Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

VII. Submissions and Notices

A. All submissions, including progress reports, to OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

B. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

Darrel Dochow, Regional Director
West Region
Office of Thrift Supervision
2001 Junipero Serra Blvd.
Daly City, CA 94014-1976

Nicholas J. Dyer, Assistant Director
West Region
Office of Thrift Supervision
2001 Junipero Serra Blvd.
Daly City, CA 94014-1976

VIII. No Violations Authorized

Nothing in this Order or the Stipulation shall be construed as allowing Savings Association, its Board, officers or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____ /s/
Edwin L. Chow, Regional Deputy
Director, West Region, acting for the
Regional Director, pursuant to OTS
Order No. WE-07-006

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)

COLORADO FSB,)

Greenwood Village, Colorado.)

OTS Docket No. 08876)

Order No.: WE-08-005

Effective Date: March 14, 2008

STIPULATION AND CONSENT
TO ISSUANCE OF ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the West Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Colorado FSB, Greenwood Village, Colorado, OTS Docket No. 08876 (Savings Association) that OTS is of the opinion that grounds exist to initiate an administrative proceeding against Savings Association pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist when a savings associations has consented to the issuance of an order; and

WHEREAS, Savings Association desires to cooperate with OTS to avoid the time and expense of such administrative cease and desist proceedings by entering into this Stipulation and Consent to the Issuance of Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraph

Colorado FSB
OTS No.: 08776
Stip to Issuance of C&D Order for Affirm Relief

I below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

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

(b) Pursuant to 12 U.S.C. § 1813(q), the Director of OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, Savings Association is subject to the authority of OTS to initiate and maintain an administrative cease-and-desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

2. OTS Findings of Fact.

Based upon the Field Visit conducted as of November 13, 2007, OTS finds that the Savings Association is operating with an undue concentration of classified assets in relation to the Savings Association’s capital.

3. Consent.

Savings Association consents to the issuance by OTS of the accompanying Order to Cease and Desist (Order). Savings Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

4. Finality.

The Order is issued by OTS under 12 U.S.C. § 1818(b) and upon the Effective Date it shall be a final order, effective and fully enforceable by OTS under the provisions of 12 U.S.C. § 1818(i).

5. **Waivers.**

Savings Association waives the following:

(a) The right to be served with a written notice of OTS's charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;

(b) The right to an administrative hearing of OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;

(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; and

(d) Any and all claims against 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, federal statutes or otherwise.

6. **OTS Authority Not Affected.**

Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting Savings Association if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

7. **Other Governmental Actions Not Affected.**

Savings Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 6 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Savings Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

8. **Miscellaneous.**

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

(b) If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise;

(c) All references to OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns;

(d) The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order;

(e) The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters; and

(f) The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by OTS, acting through its Regional Director or other authorized representative.

9. **Signature of Directors/Board Resolution.**

Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of Savings Association to the issuance of the Order and the execution of the Stipulation.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, Savings Association, by its directors, executes this Stipulation.

Accepted by:

COLORADO FSB
Greenwood Village, Colorado

OFFICE OF THRIFT SUPERVISION

By: _____ /s/
[Name]
Chairman

By: _____ /s/
Edwin L. Chow, Regional Deputy
Director, West Region, acting as
Regional Counsel, pursuant to OTS
Order No. WE-07-006

Date: _____ /s/

Date: See Effective Date on page 1

_____/s/
[Name], Director

_____/s/
[Name], Director