

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

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In the Matter of	)	Order No.: <u>WE-07-009</u>
	)	
<b>WORLD SAVINGS BANK, FSB,</b>	)	Effective Date: <u>October 26, 2007</u>
Oakland, California.	)	
	)	
OTS Docket No.: 12642	)	
_____	)	

**CONSENT ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY**

**WHEREAS**, World Savings Bank, FSB, Oakland, California, OTS Docket No. 12642 (Institution), by and through its Board of Directors (Board), has executed a Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation); and

**WHEREAS**, the Institution, by executing the Stipulation, has consented and agreed to the issuance of this Order of Assessment of Civil Money Penalty (Order) by the Office of Thrift Supervision (OTS), pursuant to 42 U.S.C. § 4012a(f); and

**WHEREAS**, the Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue consent orders on behalf of the OTS.

**NOW THEREFORE, IT IS ORDERED THAT:**

- Payment of Civil Money Penalty.** Within ten (10) calendar days after the date of this Order, the Institution shall pay the sum of Thirty Three Thousand Eight Hundred Eighty Dollars (\$33,880) by tendering a certified check or bank draft made payable to the order of the National Flood Insurance Program – Mitigation Fund, together

with a copy of the executed CMP Order and a cover letter referencing World Savings Bank, FSB., Oakland, California, OTS Docket No. 12642, to: Kevin Montgomery, Financial Management Specialist, Federal Emergency Management Agency, National Flood Insurance Program, 7700 Hubble Drive, Lanham, Maryland 20706. A copy of the certified check or bank draft and the cover letter shall be provided by U.S. Mail or overnight courier to James A. Hendriksen, Regional Enforcement Counsel, Office of Thrift Supervision, 2001 Junipero Serra Boulevard, Suite 650, Daly City, CA, 94014-3897.

2. **Duration, Termination or Suspension of Order.** This Order is and shall become effective on the date it is issued, as shown in the caption hereof.

**THE OFFICE OF THRIFT SUPERVISION**

By: \_\_\_\_\_ /s/  
Darrel W. Dochow  
Regional Director

(World CMP Order j:\World)

WORLD SAVINGS BANK, FSB  
OTS No. 12642  
Consent Order to Assess a CMP

**UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION**

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In the Matter of	)	Order No.: <u>WE-07-009</u>
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<b>WORLD SAVINGS BANK, FSB,</b>	)	Effective Date: <u>October 26, 2007</u>
Oakland, California.	)	
	)	
OTS Docket No.: 12642	)	
_____	)	

**STIPULATION AND CONSENT TO ISSUANCE OF  
AN ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY**

**WHEREAS**, the Office of Thrift Supervision (OTS), based upon information derived from the exercise of its regulatory responsibilities, is of the opinion that grounds exist to initiate a civil money penalty assessment proceeding against World Savings Bank, FSB, Oakland, California, OTS Docket No. 12642 (Institution), pursuant to 42 U.S.C. § 4012a(f); and

**WHEREAS**, the Institution desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding; and

**WHEREAS**, the Institution enters into this Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation): (1) without any adjudication on the merits; (ii) without admitting or denying that grounds exist to initiate an administrative cease and desist proceeding; and (iii) without admitting or denying the Findings of Fact, except as to jurisdiction (¶1 below), which jurisdiction is admitted;

**NOW, THEREFORE,** the Institution hereby stipulates and agrees as follows:

**1. Jurisdiction.**

(a) The Institution is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4) and a “regulated lending institution” as that term is defined at 12 U.S.C. § 4003(a)(10).

(b) Pursuant to 12 U.S.C. § 1813(q) and 42 U.S.C. § 4003(a)(5), the Director of the OTS is the “appropriate Federal Banking agency” and the “Federal entity for lending regulation” to initiate and maintain a civil money penalty proceeding against the Institution pursuant to 42 U.S.C. § 4012a(f).

(c) 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 civil money penalty assessment orders where a savings association has consented to the issuance of the order.

**2. OTS Findings of Fact.** The Institution failed to comply with the requirements set forth in 42 U.S.C. §§ 4001-4128, and OTS implementing regulations set forth at 12 C.F.R. Part 572. Specifically, OTS finds the Institution engaged in a pattern or practice of violations under 42 U.S.C. § 4012a(f)(1) by failing to provide appropriate notification to applicants of flood hazards in connection with sixty-one (61) loans and failing to ensure adequate flood insurance coverage at origination for twenty-seven (27) loans.

**3. Consent.** The Institution consents to the issuance by the OTS of the accompanying Consent Order of Assessment of a Civil Money Penalty (Order). The Institution 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.** This Order is issued by the OTS under the authority of 42 U.S.C. §§ 4012a(f)(1) and 4012a(f)(5). Upon its issuance by the Regional Director, it shall be a final order, effective and fully enforceable by the OTS pursuant to 12 U.S.C. § 1818(i) and 42 U.S.C. § 4012a(f).

5. **Waivers.** The Institution waives the following:

(a) The right to be served with a written notice of OTS's assessment of a civil money penalty against it as provided by 12 U.S.C. § 1818(i) and 42 U.S.C. § 4012a(f)(4);

(b) The right to an administrative hearing of the OTS's charges against it as provided by 12 U.S.C. § 1818(i), 12 C.F.R. Part 509, and 42 U.S.C. § 4012a(f)(4);

(c) The right to seek judicial review of the Order or otherwise to challenge the validity of the Order; and

(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 or the Order, whether arising under common law, or under the term of any statutes including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412.

6. **OTS Authority Not Affected.** Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent the OTS from taking any other action affecting the Institution 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.** Institution acknowledges and agrees that its consent to the issuance of the Order does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Institution

that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the 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 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 sole discretion determines otherwise;

(c) All references to the 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 such headings shall not affect the interpretation of this Stipulation or the Order.

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

**9. Signature of Directors.** Each Director signing this Stipulation attests that he or she voted in favor of a resolution authorizing the consent of the Institution to the issuance of the Order and the execution of the Stipulation.

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**WHEREFORE**, the Institution, by a majority of its directors, executes this Stipulation and Consent to Issuance of an Order of Assessment of a Civil Money Penalty.

**World Savings Bank, FSB**  
Oakland, California

**Office of Thrift Supervision**  
West Region

Accepted by a majority of its directors:

By:                   /s/                  

By:

Darrel W. Dochow  
Regional Director, West

                  /s/                    
Director

Dated:           October 26, 2007          

                  /s/                    
Director

                  /s/                    
Director

                  /s/                    
Director

                  /s/                    
Director

                  /s/                    
Director

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