

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: WN-09-012
)	
FIRSTFED FINANCIAL CORPORATION)	Effective Date: May 28, 2009
)	
Santa Monica, California.)	
OTS Docket No. H-1081)	
_____)	

AMENDED ORDER TO CEASE AND DESIST

WHEREAS, FirstFed Financial Corporation, Santa Monica, California, OTS Docket No. H-1081 (Holding Company), the holding company for First Federal Bank of California, FSB, OTS Docket No. 01792 (Association), by and through its Board of Directors (Board) has executed a Stipulation and Consent to Issuance of Amended Order to Cease and Desist (Stipulation); and

WHEREAS, the Holding Company, by executing the Stipulation, has consented and agreed to the issuance of this Amended Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 USC § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Western Region is authorized to issue amended orders to cease and desist where a savings and loan holding company has consented to the issuance of an amended order.

NOW, THEREFORE, IT IS ORDERED that:

Amendment of Existing Order.

This Amended Order amends OTS Order No. WE-09-002, previously issued by OTS against the Holding Company on January 26, 2009, and which remains in full force and effect. OTS Order No. WE-09-002 is amended by the replacement of existing Paragraph I with the following new Paragraph I:

I. Capital Plan.

Within thirty (30) days, the Holding Company shall submit to OTS for review and approval a detailed capital plan to address how the Association will, by September 30, 2009, meet and maintain a Tier 1 core capital ratio equal to or greater than seven percent (7%) and a total risk-based capital ratio equal to or greater than fourteen percent (14%).

Effective Date of Amended Order, Incorporation of Stipulation.

This Amended 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.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____ /s/
C.K. Lee, Regional Director
Western Region

Date: See Effective Date on Page 1

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: WN-09-012
)	
FIRSTFED FINANCIAL CORPORATION)	Effective Date: May 28, 2009
)	
Santa Monica, California.)	
OTS Docket No. H-1081)	
_____)	

**STIPULATION AND CONSENT TO ISSUANCE
OF AMENDED ORDER TO CEASE AND DESIST**

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Western Region (Regional Director), issued an Order to Cease and Desist (OTS Order No. WE-09-002) (Order) against FirstFed Financial Corporation, Santa Monica, California, OTS Docket No. H-1081 (Holding Company), pursuant to 12 USC § 1818(b) that became effective January 26, 2009;

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to amend the Order where the Holding Company has consented to the issuance of an amended order to cease and desist; and

WHEREAS, the Holding Company desires to cooperate with OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to the Issuance of Amended Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

a. The Holding Company is a “savings and loan holding company” within the meaning of 12 USC § 1813(w)(3) and 12 USC § 1467a. Accordingly, the Holding Company is a “depository institution holding company” as that term is defined in 12 USC § 1813(w)(1); and

b. Pursuant to 12 USC § 1818(b)(9), the “appropriate Federal banking agency” may initiate a cease-and-desist proceedings against a savings and loan holding company in the same manner and to the same extent as a savings association for regulatory violations and unsafe and unsound acts or practices; and

b. Pursuant to 12 USC § 1813(q), the Director of OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings and loan holding company. Therefore, the Holding Company is subject to the authority of OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 USC § 1818(b) and (b)(9).

2. OTS Findings of Fact.

Based upon information derived from its ongoing supervision of the Holding Company, the OTS finds that the Holding Company has engaged in unsafe and unsound practices, and has failed to ensure that its wholly owned savings association subsidiary, First Federal Bank of California, FSB (Association), did not engage in unsafe and unsound practices that resulted in inadequate asset quality, earnings, liquidity planning, and capital levels at the Association.

3. Consent.

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

4. Finality.

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

5. Waivers.

The Holding Company waives the following:

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

b. The right to an administrative hearing of OTS's charges as provided by 12 USC § 1818(b) and 12 CFR Part 509;

c. The right to seek judicial review of the Amended Order, including, without limitation, any such right provided by 12 USC § 1818(h), or otherwise to challenge the validity of the Amended 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 Amended Order, whether arising under common law, federal statutes or otherwise.

6. OTS Authority Not Affected.

Nothing in this Stipulation or accompanying Amended Order shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting the Holding Company 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.

The Holding Company acknowledges and agrees that its consent to the issuance of the Amended 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 the Holding Company 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 Amended Order;

b. If any provision of this Stipulation and/or the Amended 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 Amended Order shall also mean any of the OTS's predecessors, successors, and assigns;

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

e. The terms of this Stipulation and of the Amended 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 Amended 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 of the Holding Company signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Holding Company to the issuance of the Amended Order and the execution of the Stipulation. The Stipulation may be executed in counterparts by the Directors after approval of execution of the Stipulation at a duly called board meeting. A copy of the Board Resolution authorizing execution of this Stipulation shall be delivered to OTS, along with the executed original(s) of this Stipulation.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

WHEREFORE, the Holding Company, by its Board of Directors, executes this

Stipulation.

Accepted by:

FIRSTFED FINANCIAL CORPORATION
Santa Monica, California

OFFICE OF THRIFT SUPERVISION

By: /s/
Babette E. Heimbuch
Chairman of the Board
and Chief Executive Officer

By: /s/
C.K. Lee, Regional Director
Western Region

Date: See Effective Date on Page 1

 /s/
Gisselle Acevedo, Director

 /s/
Brian Argett, Director

 /s/
Nicholas C. Biase, Director

 /s/
Jesse Casso, Director

 /s/
James P. Giraldin, Director

 /s/
Christopher M. Harding, Director

 /s/
William G. Ouchi, Director

 /s/
William P. Rutledge, Director

 /s/
Steven L. Soboroff, Director