

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

In the Matter of)	Order No.: DC 11-058
)	
PAUL J. RYAN)	Effective Date: June 3, 2011
)	
Former Loan Officer and)	
Institution-Affiliated Party of)	
)	
Broadway Federal Bank, f.s.b.)	
Los Angeles, California)	
OTS Docket No. 05141)	

ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY

WHEREAS, Paul J. Ryan (Ryan) has executed a Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation); and

WHEREAS, Ryan, 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 12 U.S.C. § 1818(i); and

WHEREAS, pursuant to delegated authority, the OTS Deputy Director for Examinations, Supervision and Consumer Protection (Deputy Director), is authorized to issue Orders of Assessment of a Civil Money Penalty where an institution-affiliated party has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

Payment of Civil Money Penalty.

1. Effective immediately, Ryan is ordered to pay the sum of One Hundred Thousand Dollars (\$100,000.00) by tendering a certified check or bank draft made payable to the order of the Treasury of the United States.

Indemnification Prohibited.

2. Ryan shall pay such civil money penalty himself and is prohibited from seeking or accepting indemnification for such payment from any third-party.

Effective Date, Incorporation of Stipulation.

3. 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.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____/s/_____
Thomas A. Barnes
Deputy Director, Examinations,
Supervision and Consumer Protection

Date: See Effective Date on page 1

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

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Deputy Director for Examinations, Supervision and Consumer Protection (Deputy Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed **Paul J. Ryan (“Ryan”)**, former loan officer and institution-affiliated party of Broadway Federal Bank, FSB, OTS Docket No. 05141 (“Association”), that grounds exist to initiate a civil money penalty assessment proceeding against him pursuant to 12 U.S.C. § 1818(i); and

WHEREAS, the Deputy Director, pursuant to delegated authority, is authorized to issue Orders of Assessment of a Civil Money Penalty where an institution-affiliated party has consented to the issuance of an order; and

WHEREAS, Ryan desires to cooperate with the OTS to avoid the time and expense of an administrative civil money penalty proceeding by entering into this Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation), without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraphs 1, 2 and 3 below concerning Jurisdiction, hereby stipulates and agrees as follows:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Ryan is a former loan officer for the Association and is an “institution-affiliated party” as defined in 12 U.S.C. § 1813(u) and served in such capacity within six (6) years of the Effective Date as shown on the first page (see 12 U.S.C. § 1818(i)(3)).
3. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative prohibition proceeding against savings associations and institution-affiliated parties. Therefore, Ryan is subject to the jurisdiction of the OTS to initiate and maintain an administrative prohibition proceeding against him pursuant to 12 U.S.C. § 1818(i).

OTS Findings of Fact.

4. Ryan had been employed as a loan officer at all times Association at all times pertinent to the events described herein. The OTS finds that between April, 2007 and January, 2010, Ryan:

(1) violated the law through payment of kickbacks for loan referrals, in violation of 18 U.S.C.

§215; (2) took direct actions to conceal the kickback payments through the payment of broker demands as part of the processing of certain loans made by the Association to licensed brokers who provided no broker services relative to the loan in question; and (3) received commissions from the Association as a loan officer for originating loans on behalf of borrowers while also accepting fees for assisting the borrowers in the preparation of loan application documents. OTS finds that Ryan violated applicable law; recklessly engaged in an unsafe or unsound practice in conducting the affairs of the Association; breached his fiduciary duty to the Association; and engaged in a pattern of misconduct that caused or is likely to cause more than a minimal harm to the Association or resulted in pecuniary gain or other benefit to Ryan.

Consent.

5. Ryan consents to the issuance by the OTS of the accompanying Order of Assessment of a Civil Money Penalty (Order). Ryan 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.

Finality.

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

Waivers.

7. Ryan waives the following:

- (a) the right to be served with a written notice of the OTS's assessment of a civil money penalty against him as provided by 12 U.S.C. § 1818(i) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing including, without limitation, any right provided by 12 U.S.C. §§ 1818(h) and 1818(i);
- (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 the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this the OTS enforcement matter and/or the Order, whether arising under common law, federal statutes or otherwise.
- (e) the right to assert this proceeding, this consent to the issuance of the Order, and/or the issuance of the Order, the payment of monies, or the provision of any other financial relief as contemplated by the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

OTS Authority Not Affected.

8. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting Ryan if, at any time, the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law. The OTS agrees not to institute further proceedings against Ryan for the specific acts, omissions or violations in

the Findings of Fact set forth in paragraph 4 above to the extent known to OTS as of the Effective Date of the accompanying Order, unless such acts, omissions or violations reoccur.

Other Governmental Actions Not Affected.

9. Ryan acknowledges and agrees that his consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 8 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Ryan that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

10. The laws of the United States of America shall govern the construction and validity of this Stipulation and the Order.

11. 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 Deputy Director in his or her sole discretion determines otherwise.

12. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

13. 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.

14. 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.

15. This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Deputy Director, or other authorized representative.

WHEREFORE, Ryan executes this Stipulation.

Accepted by:

PAUL J. RYAN

OFFICE OF THRIFT SUPERVISION

By: _____ /s/
Paul J. Ryan

By: _____ /s/
Thomas A. Barnes
Deputy Director, Examinations,
Supervision and Consumer Protection

Date: See Effective Date on page 1