UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of **KALEEN CLINTON,** A Former Employee and Institution-Affiliated Party of **First Federal Bank of California, Federal Savings Bank,** Santa Monica, California. (OTS No. 01792)	OTS Order No.: SF-01-012 Date: December 3, 2001

STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision (OTS), based upon information derived from the exercise of its regulatory responsibilities, has informed Kaleen Clinton (CLINTON), a former employee of First Federal Bank of California, Federal Savings Bank, Santa Monica, California (First Federal), that the OTS is of the opinion that the grounds exist to initiate prohibition proceedings against CLINTON pursuant 12 U.S.C. § 1818(e).[1]

WHEREAS, CLINTON 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:

[1]All references in this Stipulation and Consent and the Order of Prohibition are to the U.S.C. as amended.

1. Jurisdiction.

(a) First Federal, at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C. § 1462(4). Accordingly, First Federal is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) CLINTON, as a former employee of First Federal, is deemed to be an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, CLINTON is subject to the authority of the OTS to initiate and maintain prohibition proceedings against her pursuant to 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS finds that during December 2000, CLINTON misused her position as a Bank Teller when she misappropriated $5,400 from an account of a First Federal customer. As a result of her actions, (a) CLINTON engaged in a violation of the law or breached her fiduciary duty of honesty to First Federal; and (b) First Federal suffered a financial loss and/or CLINTON received a financial benefit or other gain (regardless of whether or not restitution was subsequently made); and (c) the violation of law or breach of fiduciary duty involved personal dishonesty.

3. Consent. CLINTON consents to the issuance by the OTS of the accompanying Order of Prohibition (Order). CLINTON further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the West Region, OTS, it

shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers. CLINTON waives the following:

(a) the right to be served with a written notice of the OTS's charges against her (referred to as Notice of Intention to Prohibit, see 12 U.S.C. § 1818(e));

(b) the right to an administrative hearing of the OTS's charges against her as provided by 12 U.S.C. § 1818(e);

(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;

(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 and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504 or 28 U.S.C. § 2412; and

(e) the right to assert this proceeding, her consent to issuance of the Order, and/or the issuance of 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.

6. Indemnification. CLINTON shall neither cause nor permit First Federal (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order of Prohibition. Nor shall CLINTON obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of CLINTON in connection with this action shall be

returned to First Federal (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

(a) CLINTON acknowledges and agrees that the consent to the entry of the Order is for the purpose of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of CLINTON 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.

(b) By signing this Stipulation, CLINTON agrees that she will not assert this proceeding, her consent to the entry of the Order, and/or the entry of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding by the United States Department of Justice or any other Federal or state governmental entity.

8. Acknowledgment of Criminal Sanctions. CLINTON acknowledges that 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of the Order.

9. Agreement for Continuing Cooperation. CLINTON agrees that, at the OTS's request, on reasonable notice and without service of a subpoena, she will cooperate fully, provide discovery, and testify truthfully at any deposition and at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by the OTS relating to First Federal, its holding companies, its subsidiaries, and its institution-affiliated parties, except that CLINTON does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If CLINTON invokes a privilege against self-incrimination under the Fifth Amendment of the United States Constitution with respect to any other matter about which the OTS inquires or the production of any document requested by the OTS and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 et seq.,

CLINTON agrees, consistent with any such grant of immunity, to provide discovery and testify truthfully at any deposition and at any judicial, administrative, or investigative proceeding on the matter for which immunity is given.

WHEREFORE, CLINTON executes this Stipulation and Consent to Issuance of an Order of Prohibition, intending to be legally bound hereby.

By: Accepted by:

Office of Thrift Supervision

/S/	/S/
KALEEN CLINTON	Charles A. Deardorff Regional Director West Region
Date: 11·25·01	Date: 12/3/01

* * * * *

State of CALIFORNIA)

County of Los Angeles)

On this 25th day of November, 2001, before me, the undersigned notary public, personally appeared Kaleen Clinton and acknowledged her execution of the foregoing STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF PROHIBITION.

Notary Public

My commission expires:

01/14/2004

(clinton proh stip c:ft/sar)

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CONSENT ORDER OF PROHIBITION

WHEREAS, Kaleen Clinton (CLINTON) has executed a Stipulation and Consent to Issuance of an Order of Prohibition (Stipulation) on November 25, 2001; and

WHEREAS, CLINTON, by her execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. CLINTON is prohibited from further participation, in any manner, in the conduct of the affairs of First Federal Bank of California, Federal Savings Bank (First Federal), and any successor institution, holding company, subsidiary, and/or service corporation thereof.

2. CLINTON is and shall be subject to the statutory prohibitions provided by 12 U.S.C. § 1818(e), except upon the prior written consent of the OTS (acting through its Director

or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(a) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

(i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;

(ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;

(iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. § 1781 et seq.;

(iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. § 2001 et seq.;

(v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(A)(v); and

(vi) the Federal Housing Finance Board and any Federal Home Loan Bank;

(b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 U.S.C. § 1818(e)(7)(A);

(c) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. § 1813(q); or

(d) vote for a director, or serve or act as an "institution-affiliated party," as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

3. The Stipulation is made a part hereof and is incorporated herein by this reference.

4. This Order is subject to the provisions of 12 U.S.C. § 1818(j), and shall become effective on the date it is issued.

5. CLINTON shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

6. The terms and provisions of the order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

OFFICE OF THRIFT SUPERVISION

By: /S/
Charles A. Deardorff
Regional Director
West Region