

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

In the Matter of:)
)
Pacific Capital Bank, N.A.) AA-EC-07-24
Santa Barbara, California)

STIPULATION AND CONSENT ORDER FOR A CIVIL MONEY PENALTY

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate a civil money penalty proceeding against Pacific Capital Bank, N.A., Santa Barbara, California (“Bank”), pursuant to 42 U.S.C. § 4012a(f), for a pattern or practice of making, increasing, extending, or renewing at least 73 loans in a special flood hazard area, in which flood insurance is required pursuant to the National Flood Insurance Act, without requiring the property securing the loans to be covered by the requisite flood insurance;

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, the Bank, without admitting or denying any wrongdoing, desires to enter into this Stipulation and Consent Order (“Order”);

NOW, THEREFORE, in consideration of the above premises, it is stipulated by and between the Comptroller, through his duly authorized representative, and the Bank that:

Article I

JURISDICTION

(1) The Bank is a national banking association, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.* Accordingly, the Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2) and is a “regulated lending institution” as that term is defined in 42 U.S.C. § 4003(a)(10).

(2) Pursuant to 42 U.S.C. §§ 4003(a)(5) and 4012a(f), the Comptroller is the “appropriate Federal entity for lending regulation” to maintain an enforcement proceeding against the Bank.

Article II

ORDER FOR CIVIL MONEY PENALTY

The Bank hereby consents and It Is Ordered that:

(1) The Bank shall pay a civil money penalty in the amount of twenty-six thousand eight hundred forty-five dollars (\$26,845.00), which shall be paid upon execution of this Order.

(2) The Bank shall make payment in full by check made payable to the National Flood Insurance Program and shall deliver the payment to: National Flood Insurance Program, Federal Emergency Management Agency, 7700 Hubble Drive, Lanham, Maryland 20706.

(3) The Bank shall submit a copy of the check together with an original executed copy of this Order, to the Director, Enforcement & Compliance Division, 250 E Street, SW, Washington, DC 20219.

(4) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(h) and (i) and 42 U.S.C. § 4012a.

Article III

WAIVERS

(1) By executing this Order, the Bank waives:

- (a) the right to the issuance of a Notice under 12 U.S.C. § 1818(i) and 42 U.S.C. § 4012a(f)(4) and recognizes that the letter dated November 21, 2006, from Brian J. Quade, Assistant Deputy Comptroller, San Francisco Field Office, constitutes a valid substitute notice;
- (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19, and 42 U.S.C. § 4012a(f)(4);
- (c) all rights to seek judicial review of this Order;
- (d) any and all rights to contest the validity of this Order.

(2) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, his agents or employees to cause or induce the Bank to agree to consent to the issuance of this Order and/or to execute this Order.

(3) It is hereby agreed that the provisions of this Order constitute a settlement of the civil money penalty proceeding contemplated by the Comptroller on the basis of the Bank's violations as described in the first WHEREAS Clause hereof. However, the specific violations described herein may be used by the OCC in future enforcement actions to establish a pattern or practice of misconduct in the event that the Bank's violations continue or reoccur.

_____/s/_____
D. Vernon Horton

7/23/07_____
Date

_____/s/_____
Roger C. Knopf

7/23/07_____
Date

_____/s/_____
Robert Kummer, Jr.

7/23/07_____
Date

_____/s/_____
Clayton C. Larson

7/23/07_____
Date

_____/s/_____
John R. Mackall

7/24/07_____
Date

_____/s/_____
Gerald T. McCullough

7/23/07_____
Date

_____/s/_____
Richard A. Nightingale

7/23/07_____
Date

_____/s/_____
Kathy J. Odell

7/29/07_____
Date

_____/s/_____
George S. Leis

7/23/07_____
Date