

OFFICE OF THRIFT SUPERVISION

Approval of Acquisition **and Merger**

Order No.: **98-13**

Date: **February 12, 1998**

H.F. Ahmanson & Company ("Holding Company") has applied to the Office of Thrift Supervision ("**OTS**") under 12 U.S.C. **§ 1467a(e)** and 12 C.F.R. **§ 574.3** to acquire **Coast** Federal Bank, FSB, Los Angeles, California ("Coast"). In addition, the Holding Company's subsidiary, Home Savings of America, FSB, **Irwindale**, California ("Home Savings"), **has** applied to the OTS under 12 U.S.C. **§ 1828(c)**, and 12 C.F.R. **§§ 552.13** and **583.22**, to acquire Coast in a merger transaction. (The two applications are referred to herein **as the** "Applications.") Both Home Savings and Coast are federally chartered savings banks insured by the Savings Association insurance Fund.

The OTS has reviewed the Applications, as supplemented by the Holding Company **and** Home Savings, as well as a protest submitted by CANICCOR. In addition, the OTS has considered a digest dated January 23, 1998, by the OTS West Regional Office, an analysis prepared by Corporate Activities, dated February 12, 1998, and a legal opinion, dated February 12, 1998, issued by the Business Transactions Division (collectively, the "Staff Memoranda").

For the reasons set forth in the Staff Memoranda, the OTS finds **that the** Applications satisfy the approval standards set forth at 12 U.S.C. **§§ 1467a(e)** and **1828(c)**, and 12 C.F.R. **§§ 552.13**, **583.22**, and **574.7.**, as well as all other applicable statutes and regulations, including the Community Reinvestment Act, 12 U.S.C. **§ 2901**, **et seq.**, and the OTS Regulations thereunder at 12 C.F.R. Part **563e**. Accordingly, the application is hereby approved, provided that the following conditions are complied with in a manner satisfactory to the West Regional Director, or his designee ("Regional Director):

1. The proposed transaction shall be consummated in accordance with the Plan of Merger, dated October 5, 1997, no later than 120 calendar days after the date of this approval order, unless an extension is granted for good cause by the Regional Director, and the proposed merger of Coast into Home Savings shall be consummated no earlier than 15 days after the date of this order.
2. All required regulatory and shareholder approvals shall be received prior to consummation of the transaction with copies of all such approvals supplied to the Regional Director;
3. Prior to consummation of the proposed transaction, the chief executive officers of **the** Holding Company, Home Savings and Coast shall certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Holding Company, Home Savings or Coast, respectively, **since** the date of the financial statements submitted with the application;
4. No later than 5 calendar days after the date of consummation of the proposed merger, Home Savings shall file with the Regional Director **a** certification of legal counsel stating: (i) **the** effective date of the transaction and (ii) **that the** transaction was consummated in **accordance with the** provisions of all applicable laws and regulations, the application, and this approval order;

5. Not later than 30 calendar days following the date of consummation, Home Savings shall submit evidence that it has advised, in **writing**, each accountholder whose withdrawable accounts in Home Savings will exceed \$100,000 as a result of the transaction of the effect of the transaction on their deposit insurance coverage; and

-- 6. No later than 30 days after the end of each calendar quarter, Home Savings shall submit a status report, in a form acceptable to the Regional Director, detailing: (a) the results of its various lending products, programs and initiatives; and (b) its progress in improving its overall lending record and increasing the levels of its lending to low- and moderate-income and minority individuals and communities.

Any time period specified herein relating to the Merger Application may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or her designee, effective **February 12, 1998**.



John E. Ryan
Acting Executive Director, Supervision