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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY

IN THE MATTER OF)

David M. Serxner)
Former Director of)
First Newport Bank, F.S.B.)
(formerly, University)
Savings Bank))
Newport Beach, California)

Resolution No.: SF-93-004

Dated: February 19, 1993

STIPULATION AND CONSENT TO THE ENTRY OF
A CEASE AND DESIST ORDER

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the West Regional Office, San Francisco, California, of OTS, and David M. Serxner, former Director of, and consultant to First Newport Bank, F.S.B. (formerly, University Savings Bank) Newport Beach, California, ("First Newport" or the "Institution"), stipulate and agree as follows:

1. CONSIDERATION

The OTS, based upon information gathered in the supervisory process, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Mr. Serxner, pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"). Mr. Serxner desires to cooperate with the OTS and 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 in consideration of the forbearance by the OTS from initiating such administrative cease and desist litigation against Mr. Serxner with respect to the Institution's payment of consulting fees and expenses in 1991, in violation of the Capital Plan Conditions of Approval dated July 23, 1990, acknowledged and accepted by the First Newport Board of Director on July 25, 1990, which are discussed in more detail in the accompanying Order to Cease and Desist ("Order").

2. JURISDICTION

(a) First Newport, at all times relevant to the allegations set forth herein, was a "savings association" within the meaning of Section 3(b) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(b) and Section 2(4) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, First Newport is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(c).

(b) Mr. Serxner was at all time relevant to the allegations set forth herein, either a consultant to, or a Director of First Newport and as such was an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3(q) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such institution-affiliated party. Therefore, Mr. Serxner is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against him pursuant to Section 8(b) of the FDIA, 12 U.S.C. § 1818(b).

3. CONSENT

(a) Mr. Serxner consents to the issuance by the OTS of the Order. Mr. Serxner further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

(b) Mr. Serxner acknowledges that the debt owed pursuant to the Order is not dischargeable under the Bankruptcy Code, in accordance with 11 U.S.C. § 523(a)(11) and (12), as amended by Section 2522 of the Comprehensive Thrift and Bank Fraud Protection and Taxpayer Recovery Act of 1990, Pub. L. No. 101-647, November 29, 1990.

4. FINALITY

The Order is issued under Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director for the West Regional Office, San

Francisco, California, OTS, it shall be a final Order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. WAIVERS

(a) Mr. Serxner waives the right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIC, 12 U.S.C. § 1818(b), and further waives any rights to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

(b) Mr. Serxner acknowledges and agrees that this Stipulation, the Order and the payment of restitution as contemplated by the Order do not compromise, settle, dismiss, resolve, or in any way affect any civil actions, charges against, or liability of Mr. Serxner that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation ("RTC") or any other governmental entity other than the OTS.

(c) Mr. Serxner acknowledges and agrees that this proceeding and the consent to the entry of the Order are for the purposes of resolving this OTS enforcement action only, and do not resolve, affect or preclude any other civil or criminal proceedings, or enforcement action based upon,

different, newly discovered and/or additional facts, and/or actions based upon violations of the Order, which may be or have been brought against Mr. Serxner or its institution-affiliated parties by the OTS or another governmental entity.

(d) By signing this document Mr. Serxner agrees that he will not assert the assessment or payment of the restitution as the basis for the claim of double jeopardy in any pending or future proceedings brought by the U.S. Department of Justice or another governmental entity.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Regional Director for the West Regional Office, San Francisco, California, OTS, and Mr. Serxner execute this Stipulation and Consent to the Entry of a Cease and Desist Order.

OFFICE OF THRIFT SUPERVISION

/S/

By: _____
Eric D. Shand
Regional Director
West Regional Director
San Francisco, California

and

/S/

By: _____
David M. Serxner

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ORDER TO CEASE AND DESIST

WHEREAS, David M. Serxner ("Mr. Serxner") has executed a Stipulation and Consent of the Entry of a Cease and Desist Order, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the West Regional Office, San Francisco, California; and

WHEREAS, Mr. Serxner, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"), 12 U.S.C. § 1818(b).

NOW THEREFORE, IT IS ORDERED that:

1. Mr. Serxner shall make restitution to First Newport, in the amount of \$7,500. This sum, when aggregated with sums being reimbursed by other "institution-affiliated parties," represents an amount equal to approximately one fourth of the total

