

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
Hawthorne Savings)
and Loan Association)
Hawthorne, CA)

Resolution No. SF-92-017
Dated: May 18, 1992

STIPULATION AND CONSENT TO ISSUANCE OF
ORDER OF CIVIL MONEY PENALTY ASSESSMENT

The Office of Thrift Supervision ("OTS"), by and through the Regional Director for the West Region and Hawthorne Savings and Loan Association ("Hawthorne") stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative civil money penalty assessment proceeding against Hawthorne pursuant to 12 U.S.C. §§ 1818(i)(2)(A)(i) and (ii). Hawthorne 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 civil money penalty assessment proceeding against Hawthorne with respect to the following matters:

Regulatory violations regarding maintenance of loan application registers pursuant to 12 C.F.R. § 528.6 and developing and providing adjustable-rate mortgage loan disclosures pursuant to 12 C.F.R. § 563.99 and noncompliance with provisions regarding these regulations contained in the Order to Cease and Desist, Resolution No. SF-91-009 dated March 22, 1991.

2. Jurisdiction.

(a) Hawthorne Savings and Loan Association, 13658 Hawthorne Boulevard, Suite 400, Hawthorne, California, 90250, is a "savings association" within the meaning of Section 3 of the Federal Deposit Insurance Act ("FDIA") and Section 2 of the Homeowners' Loan Act of 1933, as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, 103 Stat. 183. Accordingly it is an "insured depository institution" as that term is defined in

Section 3(c) of the FDIA, as amended by FIRREA (codified at 12 U.S.C. § 1813(c)).

(b) Pursuant to Section 3 of the FDIA, as amended by FIRREA, OTS is the "appropriate Federal banking agency" to maintain civil money penalty assessment proceedings against such savings association. Therefore, Hawthorne is subject to the authority of OTS to initiate and maintain the assessment of a civil money penalty pursuant to 12 U.S.C. §§ 1818(i)(2)(A)(i) and (ii).

3. Consent. Hawthorne consents to the issuance by OTS of the accompanying Order and 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 under 12 U.S.C. §§ 1818(i)(2)(A)(i) and (ii). Upon its issuance by the Regional Director for the Western Region, it shall be a final order, effective and fully enforceable by OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA (codified at 12 U.S.C. § 1818(i)).

5. Waivers. Hawthorne waives the right to a Notice of Assessment of Civil Money Penalty provided by Section 8(i) of the FDIA, as amended by FIRREA (codified at 12 U.S.C. § 1818(i)(2)(H)), and further waives its right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, as amended by FIRREA (codified at 12 U.S.C. § 1818(h)) or to otherwise challenge the validity of the Order.

This Stipulation and Consent, the Order and the payment by the Respondent of any monies or providing any other financial relief as contemplated by the Order, does not compromise, settle, dismiss, resolve, or in any way affect any civil actions, charges against, or liability of the Respondent that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation or any other governmental entity other than the OTS.

Hawthorne acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and Hawthorne's consent to the entry of the Order are for the purposes of resolving this OTS enforcement matter only, and do not resolve, affect or preclude any other civil or criminal proceeding which may be or have been brought against Hawthorne by the OTS or another governmental entity.

By signing this document Hawthorne agrees that it will not assert the assessment or payment of this penalty 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.

Wherefore, in consideration of the foregoing, the Acting Regional Director for the West Region Office, on behalf of OTS, and Hawthorne execute this Stipulation and Consent to Issuance of Order of Civil Money Penalty Assessment.

OFFICE OF THRIFT SUPERVISION

By: /S/
Eric D. Shand
~~Acting~~ Regional Director
Western Region

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Hawthorne Savings and
Loan Association, Director

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Hawthorne Savings and
and Loan Association
Chairman of the Board

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Hawthorne Savings and
Loan Association, Director

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ORDER OF CIVIL MONEY PENALTY ASSESSMENT

WHEREAS, Hawthorne Savings and Loan Association has executed a Stipulation and Consent to Issuance of Order of Civil Money Penalty Assessment, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS") acting through the Regional Director for the West Region; and

WHEREAS, Hawthorne Savings and Loan Association, in the Stipulation, has consented to the issuance of this Order of Civil Money Penalty Assessment pursuant to 12 U.S.C. §§ 1818(i)(2)(A)(i) and (ii).

NOW THEREFORE, IT IS ORDERED that within 30 days of the effective date of this Order, Hawthorne Savings and Loan Association shall pay to OTS a sum of \$20,000 by tendering a check to the OTS in that amount made payable to the Treasury of the United States.

OFFICE OF THRIFT SUPERVISION

By: /S/
Eric D. Shand
~~Acting~~ Regional Director
West Region