

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

_____)
In the Matter of:) Resolution No. SF-92- 023
)
YUN SUK SEO, Chairman of the) Dated: July 14, 1992
Board of Directors of)
Delta Savings Bank,)
Westminster, California,)
)
Respondent.)
_____)

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER OF REMOVAL AND PROHIBITION
AND ASSESSMENT OF CIVIL MONEY PENALTIES

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the West Region, and Respondent Yun Suk Seo ("Respondent Seo") Chairman of the Board of Directors of Delta Savings Bank, Westminster, California ("Delta") hereby stipulate and agree as follows:

1. Consideration. On November 8, 1991, the OTS, based upon information gathered in the examination and supervisory process, filed a "Notice of Charges and Hearing for an Order to Cease and Desist and to Direct Restitution and Other Appropriate Relief and Notice of Intention to Remove and Prohibit," in an administrative case styled In the Matter of Young Il Kim, Yun Suk Seo, Michael Kim and Minh Ngoc Dang, OTS Order No. AP-91-8, thereby initiating an administrative enforcement proceeding against Respondent Seo pursuant to 12 U.S.C. Section 1818. Respondent Seo desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, while neither admitting or denying

that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the settlement of such administrative enforcement proceeding, or any other administrative enforcement action known to the OTS as of the effective date of this agreement based on or arising from his service as a director of Delta, or his role or activities as a person participating in the affairs of Delta.

This Stipulation and Consent, the Order and the payment by Respondent Seo 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 Respondent Seo that arises 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.

Respondent Seo acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and Respondent Seo's 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 proceeding which may be or have been brought against Respondent Seo by the OTS or another governmental entity. Notwithstanding the foregoing, "this OTS enforcement matter" as used in this paragraph, refers to all enforcement matters by the OTS under 12 U.S.C. § 1818: arising in connection with the Notice of Charges dated November 8, 1991 under OTS Order No. AP-91-84, all

matters referred to in a Delta report-of-examination to date, and all matters known to the OTS as of the date of this stipulation.

By signing this document, Respondent Seo agrees that he will not assert the assessment or payment of this penalty as the basis for the claim of double jeopardy in any pending or future proceeding brought by the U.S. Department of Justice or another governmental entity.

2. Jurisdiction.

(a) Delta is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act, as amended by FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c)(2) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1813(c)(2).

(b) Respondent Seo, as a member of the Board of Directors of Delta, is an "institution-affiliated party" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C. 1813(u)(1).

(c) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the OTS is the "appropriate federal banking agency" to maintain an enforcement proceeding against such a savings association or its institution-affiliated parties. Therefore, Respondent Seo is subject to the authority of the OTS to initiate and maintain a proceeding against him pursuant to Section 8 of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818.

3. Consent. Subject to the terms of this Stipulation, Respondent Seo consents to the issuance by the OTS of the accompanying Order of Removal and Prohibition and Assessment of

Civil Money Penalties ("Order"). Respondent Seo and the OTS agree to comply with its terms upon issuance and stipulate that the Order complies with all requirements of law.

4. Deposit and Transfer of Stock. Respondent Seo agrees to revoke all proxies granted by him at any time with respect to his shares of stock in Delta, its subsidiaries and/or service corporations (hereinafter collectively referred to as "the Shares"). Respondent Seo further agrees to endorse over and to deposit with an OTS-approved trustee certificates representing all of the Shares, along with instruments of transfer as may be necessary to enable the trustee to cause title to be transferred, in Delta. Such transfer into trust to occur within thirty (30) days of the date of the execution of the Order by the OTS.

5. Sale of Shares. Respondent Seo agrees to immediately commence to use his best efforts to find a qualified purchaser for the Shares and to obtain a valid and legally binding purchase offer for the Shares subject only to conditions which are customary in a transaction of such nature. In the event Respondent Seo has not obtained a valid and legally binding purchase offer for the Shares within three (3) months of the date of the execution of this Stipulation, but subject to the requirements of the next succeeding paragraph in this Section 5 of the Stipulation, the trustee shall be authorized to contract with agents or consultants to locate a qualified purchaser, to enter into a purchase agreement to sell the Shares, and to effect a sale of the Shares.

Any contract or agreement entered into by the trustee to locate a qualified purchaser of the Shares shall be expressly limited to

the payment of fees, charges, commissions or costs of whatever nature to such agents or consultants of five percent (5%) of the purchase price of the Shares, with such payment being expressly conditioned upon the actual sale of the Shares. Notwithstanding anything in this Stipulation to the contrary, unless specifically agreed to by Respondent Seo in writing, the trustee shall be precluded from selling the Shares at a price that, in aggregate, is less than the sum of: (a) \$750,000; plus (b) any amounts contributed to the capital account of Delta by Respondent Seo following the date of the Stipulation.

6. Certain Activities. OTS will not consider the phrase "participation, in any manner, in the conduct of the affairs of Delta Savings Bank, Westminster, California . . . ," as used in the accompanying Order, as precluding Respondent Seo from taking the following actions:

(a) obtaining financial and other information from Delta in connection with the Shares and the matters set forth in Section 5 of this Stipulation;

(b) assisting Delta to recover possible losses on assets of Delta to be identified in writing by Delta, provided, however, that such assistance shall be limited in scope and duration by a writing to be delivered to Respondent Seo by either Delta or the OTS; and

(c) continuing to participate in the case of Young Il Kim, et al. v. Timothy Ryan, No. CV-91-6722Kn (Tx), U.S. District Court for the Central District of California, provided, however that any disposition, settlement or final adjudication of said action shall be subject to the terms of this Stipulation. And provided further

that nothing in this paragraph shall be deemed to prevent the OTS from challenging Respondent Seo's standing based on his status of the date said suit was filed and immediately preceding the date of this Stipulation.

7. Civil Money Penalties. Within thirty (30) days from the date an Order is issued pursuant to the terms of this Stipulation, Respondent Seo agrees to pay a civil money penalty of ten thousand dollars (\$10,000) by tendering a check to the OTS in that amount made payable to the Treasurer of the United States.

8. Dismissal of Proceedings. The entry of the Order shall also constitute a dismissal of Respondent Seo from the administrative adjudicatory proceeding under OTS Order No. AP-91-84, and termination of the temporary cease-and-desist relating to the proceeding as to Respondent Seo.

9. Finality. The Order is issued under Section 8 of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818. Upon its issuance by the Regional Director for the West Region, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(1) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(i).

10. Waivers. Respondent Seo waives his right to an administrative hearing provided by Section 8 of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818 for this proceeding, and further waives his right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(h), or otherwise challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Regional Director for the West Region, on behalf of the OTS, and Respondent Seo execute this Stipulation and Consent to Issuance of an Order of Removal and Prohibition and Assessment of Civil Money Penalty.

OFFICE OF THRIFT SUPERVISION

By: / S /
ERIC D. SHAND,
~~INTERIM~~ REGIONAL DIRECTOR
WEST REGION

 / S /
~~YUN~~ SUK SEO

Dated: 7/14/92

Dated: 4-23-1992

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

In the Matter of:)

Resolution No.: SF-92-023

YUN SUK SEO, Chairman of the)
Board of Directors of)
of Delta Savings Bank,)
Westminster, California)
_____)

Dated: July 14, 1992

ORDER OF REMOVAL AND PROHIBITION
AND ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, YUN SUK SEO ("Respondent Seo") has executed a Stipulation and Consent to Issuance of Order of Removal and Prohibition and Assessment of Civil Money Penalties ("Stipulation"), which has been accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the West Region; and

WHEREAS, Respondent Seo, in the Stipulation, has consented and agreed to the issuance of this Order of Removal and Prohibition ("Order") pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), 12 U.S.C. § 1818(e); and

WHEREAS, Respondent Seo, in the Stipulation, has consented to this issuance of civil money penalty assessment pursuant to 12 U.S.C. Sections 1813(u) and 1817(j); Accordingly,

IT IS THEREFORE ORDERED that:

1. Within thirty (30) days of the date of this Order, Respondent Seo shall pay to the OTS the sum of ten thousand

dollars (\$10,000.00) by tendering a check to the OTS in that amount made payable to the Treasurer of the United States; and

2. Respondent Seo is removed as a director and is prohibited from further participation, in any manner, in conduct of the affairs of Delta Savings Bank, Westminster, California, its subsidiaries or service corporations.

2. Without the prior written approval of the OTS (and, if appropriate, another federal financial institution regulatory agency), Respondent Seo may not, after the effective date of this Order, hold any office in, or participate in any manner in the conduct of the affairs of any institution(s) or other entity as set forth in Section 8(e)(7)(A) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(e)(7)(A). Pursuant to Section 8(e)(6) of the FDIA, as amended by FIRREA, 12 U.S.C. 1818(e)(6), conduct prohibited by this Order includes, inter alia, the solicitation, transfer, or exercise of any voting rights with respect to any securities issued by any voting rights with respect to any securities issued by any insured depository institution, except as is expressly set forth in the Stipulation.

3. Respondent Seo, in accordance with the terms of the Stipulation, shall immediately endorse over and deposit certificates representing all of his shares of stock in Delta, its subsidiaries and service corporations, with an OTS-approved, along with instruments of transfer as may be necessary to enable the trustee to cause title to the shares to be transferred to the trustee.

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

5. This Order is subject to the provisions of Section 8(j) of the FDIA, as amended by FIRREA, 12 U.S.C. § 1818(j).

OFFICE OF THRIFT SUPERVISION

Dated: _____

7/14/92

By: _____

/S/

Eric D. Shand
Regional Director
West Region