

**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

\_\_\_\_\_  
In the Matter of )

**ERIC J. WELLS,** )

Senior Vice President of )

**San Luis Trust Bank, FSB,** )  
**San Luis Obispo, California.** )  
(OTS No. 15051) )

Order No.: SF-06-006

Date: September 1, 2006

**STIPULATION AND CONSENT TO THE ISSUANCE OF AN**  
**ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES**

**WHEREAS**, the Office of Thrift Supervision (OTS), based upon information derived from the exercise of its regulatory responsibilities, has informed Eric J. Wells (ERIC WELLS), Senior Vice President of San Luis Trust Bank, FSB, San Luis Obispo, California (SLTB), OTS No. 15051, that grounds exist to initiate an administrative civil money penalty assessment proceeding against him pursuant to 12 U.S.C. § 1818(i);<sup>1</sup> and

**WHEREAS**, ERIC WELLS desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of the OTS, except as to Jurisdiction, paragraph 1, below, which is admitted, hereby stipulates and agrees to the following:

\_\_\_\_\_  
<sup>1</sup> All references to the United States Code (U.S.C.) are as amended, unless otherwise indicated.

1. Jurisdiction. (a) SLTB is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, it is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c);

(a) ERIC WELLS is an Officer of SLTB and is an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u); and

(b) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal Banking agency” to maintain an administrative civil money penalty assessment proceeding against such a savings association or its institution-affiliated parties. Therefore, ERIC WELLS is subject to the jurisdiction of the OTS to initiate and maintain a civil money penalty assessment proceeding against him pursuant to 12 U.S.C. § 1818(i). The Director of the OTS has delegated to the Regional Director of the West Region of the OTS or his designee (Regional Director) the authority to issue orders of assessment of civil money penalties where the individual has consented to the issuance of the order.

2. OTS Findings of Fact. The OTS finds that ERIC WELLS, as Senior Vice President of SLTB:

(a) Breached his fiduciary duty to the institution and violated 12 C.F.R. § 563.200 when he acted upon and approved an increase in a Rental Equity Line of Credit for an SLTB customer with whom he had a business relationship. By acting upon the application while failing to disclose the relationship to SLTB, ERIC WELLS breached his duty of loyalty to the institution and advanced his own interest and the interest of others with whom he had an ongoing business relationship at the expense of SLTB; and

(b) Violated Regulation O, 12 C.F.R. § 215, as applied to thrift institutions by 12 U.S.C. §§ 1463(a) and 1468 and 12 C.F.R. § 563.43, when he received the tangible economic

benefit of a loan made by SLTB in violation of the restrictions on loans to Executive Officers set forth at 12 C.F.R. § 215.5(c)(4).

3. Consent. ERIC WELLS consents to the issuance by the OTS of the accompanying Consent Order of Assessment of Civil Money Penalties (Order). ERIC WELLS further agrees to comply with the terms of the Order 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). Upon its issuance by the OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers. ERIC WELLS waives the following:

(a) The right to be served with a written notice of assessment of civil money penalties against him as provided by 12 U.S.C. § 1818(i);

(b) The right to an administrative hearing of the OTS's charges against him as provided by 12 U.S.C. § 1818(i);

(c) The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;

(d) Any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504 or 28 U.S.C. § 2412; and

(e) The right to assert this proceeding, his consent to issuance of the Order, the issuance of the Order, the payment of any monies or the provision of any other financial relief as contemplated by the Order 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.



**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

\_\_\_\_\_  
In the Matter of )  
 )  
**ERIC J. WELLS,** )  
 )  
Senior Vice President of )  
 )  
**SAN LUIS TRUST BANK, FSB,** )  
**San Luis Obispo, California.** )  
(OTS No. 15051) )  
\_\_\_\_\_ )

Order No.: SF-06-006

Date: September 1, 2006

**CONSENT ORDER OF**  
**ASSESSMENT OF CIVIL MONEY PENALTIES**

**WHEREAS**, Eric J. Wells (ERIC WELLS) has executed a Stipulation and Consent to the Issuance of an Order of Assessment of Civil Money Penalties (Stipulation) on August 30, 2006; and

**WHEREAS**, ERIC WELLS, by his execution of the Stipulation, has consented and agreed to the issuance of this Consent Order of Assessment of Civil Money Penalties (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1818(i).<sup>1</sup>

**NOW THEREFORE, IT IS ORDERED that:**

1. Within ten (10) calendar days of the date of this Order, ERIC WELLS shall pay to the Office of Thrift Supervision the sum of \$20,000.00, by tendering a certified check or bank draft made payable to the order of the Treasurer of the United States. The check or bank draft and a copy of the Order shall be delivered, together with a cover letter stating the name of the

\_\_\_\_\_  
<sup>1</sup> All references to the United States Code (U.S.C.) are as amended, unless otherwise indicated.

