95108

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of GENERAL BANK, A Federal Savings Bank, Miami, Florida.	Re: OTS Resolution No. ERC-89-117 Dated: October 6, 1989

TEMPORARY ORDER TO CEASE AND DESIST

On October 6, 1989, the Office of Thrift Supervision ("OTS") issued a Notice of Charges and Hearing ("Notice") against General Bank, a Federal Savings Bank, Miami, Florida ("General Bank"), pursuant to the authority of 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. 101-73, 103 Stat. 183 ("FIRREA"), to be codified at 12 U.S.C. § 1818(b).

Upon review of the Notice, and of the entire record herein, the OTS, acting through its Enforcement Review Committee, has determined that:

(a) the regulatory violations and unsafe or unsound practices specified in the Notice, and the continuation thereof, are likely to cause significant dissipation of the assets of General Bank, or are likely to weaken the condition of General Bank; and

(b) the books and records of General Bank, as made available for inspection by representatives of OTS, are so incomplete or inaccurate in respect of General Bank's investment in its foreign subsidiaries and certain transactions specified in the Notice that OTS is unable accurately to determine the financial condition of General Bank or the details or purpose of those transactions.

THEREFORE, by the authority of Section 8(c) of the FDIA, as amended by FIRREA, to be codified at 12 U.S.C. § 1818(c), it is **ORDERED:**

1. General Bank and its directors, officers, employees, and agents shall cease and desist from any violations, or aiding and abetting any violation, of:

   (a) The requirement of safe and sound management and financial policies set forth in 12 C.F.R. § 563.17(a).

   (b) The requirement of complete and accurate business records set forth in 12 C.F.R. § 563.17-1(c).

   (c) The requirement of timely, complete, and accurate reports to OTS set forth in 12 C.F.R. § 563.18.

AND IT IS FURTHER ORDERED:

Books and Records

2. General Bank shall immediately make available for inspection by the Principal Supervisory Agent of the Atlanta District of OTS or his designee ("Supervisory Agent") all books

and records relating to the affairs and ownership of General Bank, its subsidiaries, and its affiliates over which it has control. If any such books and records are in a language other than English, then General Bank shall promptly cause translations to be made of such books and records as the Supervisory Agent may from time to time designate.

3. (a) General Bank shall establish a set of policies and procedures for the maintenance of books and records in compliance with the requirements of 12 C.F.R. §§ 563.17-1, 563.23-3(b). Such policies must be satisfactory to the Principal Supervisory Agent of the Atlanta District of OTS or his designee ("Supervisory Agent") in both form and substance.

(b) General Bank shall establish a set of policies and procedures to ensure that timely, complete, and accurate reports are filed with OTS in compliance with the requirements of 12 C.F.R. § 563.18. Such policies must be satisfactory to the Supervisory Agent in both form and substance.

Operating Restrictions

4. Unless it has obtained prior approval in writing from the Supervisory Agent, General Bank shall not:

(a) engage in forward commitments, futures transactions, or financial options transactions as defined in 12 C.F.R. §§ 563.17-3, 563.17-4, 563.17-5; or

(b) make, invest in, purchase, refinance, exchange, modify, or commit to make, invest in, purchase, refinance, exchange, or modify any loans secured by real estate, or participations therein (including any acquisition, construction, and development loans), or real estate investments, or any set of such loans, participations, or investments, except loans made at current market interest rates and terms to finance the bona fide purchase of existing 1-4 family residences to be utilized as the borrower's principal residence where such loans are secured by a first lien on such residences and do not exceed $250,000; or

(c) invest in, exchange, transfer, purchase, or commit to invest in, exchange, transfer, or purchase any security or other asset or any set of securities or other assets except for assets which qualify as liquid investments under 12 C.F.R. § 523.10, in amounts not to exceed 1% of total assets; or

(d) sell, pledge, transfer, or exchange any loan or participation therein, real estate investment, security, other asset, or any set of such loans, participations, real estate investments, securities, or other assets; or

(e) make, invest in, refinance, modify, purchase, sell, or commit to make, invest in, refinance, modify, purchase, or sell commercial loans or letters of credit, whether secured or unsecured; or

(f) make, invest in, purchase, modify, refinance, sell, or commit to make, invest in, purchase, modify, refinance, or sell any consumer, education, or home improvement loan in excess of $5,000; or

(g) enter into any lease or contract for the purchase, sale, transfer, exchange, or swap of real estate or of any interest therein; or

(h) enter into any joint venture agreements; or

(i) enter into, renew, or revise any contractual arrangement with any affiliate, subsidiary, or institution-affiliated party of General Bank or any of its subsidiaries; or

(j) declare or pay cash or stock dividends on common or preferred stock; or

(k) purchase, sell, or lease, or enter into any contract or agreement for the purchase, sale, or lease of goods, materials, equipment, supplies, services, or capital assets in amounts in excess of $5,000; or

(l) engage in the wire transfer of funds, except for wire transfers on behalf of customers of General Bank who are neither affiliates nor subsidiaries of General Bank.

Provided, however, that the provisions of this Paragraph 4 shall not apply to existing, legally binding commitments: (i) that were outstanding as of the date of this Order; (ii) as to which General Bank has obtained a written opinion from independent counsel, stating that General Bank is bound to complete the transaction as a matter of law; and (iii) where General Bank has supporting documentation that satisfies all applicable regulatory requirements. For each such transaction, a copy of the opinion of independent counsel and the supporting documentation must be maintained in the appropriate file at General Bank and a copy must be provided to the Supervisory Agent within 15 days after the effective date of this Order.

Affiliates and Subsidiaries

5. General Bank shall not directly or indirectly invest in, pay travel expenses related to, expand its interest in, or expand in size or scope the activities of any subsidiary or service corporation, or allow its subsidiaries to expand in size or scope.

6. Until General Bank has provided to the Supervisory Agent all documents relating to its corporate reorganization and recapitalization transactions that took place on or about August 1, 1989, and the Supervisory Agent has given written approval of such transactions, General Bank shall not permit its subsidiaries, or any affiliate over which it has control, to expend any funds received or available as a result of the corporate reorganization and recapitalization as of August 1, 1989.

7. General Bank and its directors, officers, employees, and agents shall do or cause to be done all acts necessary to insure that no subsidiary of General Bank, and no affiliate of General Bank over which General Bank has control, shall violate any provision of this Order or act in such a manner as to cause General Bank to violate any provision of this Order.

Definitions

8. As used in Paragraph 4 of this Order, the following terms shall have the following meanings:

(a) "Consumer loans" shall include all unsecured loans not otherwise specifically described and addressed in paragraph 4.

(b) "Set" shall mean a group of loans, participations, investment, securities, or other assets that are (or are to be) sold, pledged to, purchased from, or exchanged with one or more persons, entities, or institutions acting together in a single transaction.

(c) "Institution-affiliated party" shall have meaning as defined in Section 3(u) of the FDIA as supplied by Section 204(f)(6) of FIRREA, to be codified at 12 U.S.C. § 1813(u).

9. All other technical words or terms used in this Order, for which meanings are not specified or otherwise provided by the provisions of this Order, shall, insofar as applicable, have meanings as defined in the Code of Federal Regulations, title 12, chapter V; or as defined in FIRREA; and any such words or terms undefined in the Code of Federal Regulations and in FIRREA shall have meanings that accord with the best custom and usage in the savings and loan industry.

Effectiveness

10. This Order is effective immediately.

11. This Order shall remain effective and enforceable pending completion of proceedings against General Bank pursuant to Section 8(b) of the FDIA as amended by FIRREA, and until such time as the OTS shall dismiss such proceedings or, if a final order is issued in such proceedings, until the effective date of any such order.

Enforcement Review Committee

/S/

Rosemary Stewart
Director of Enforcement and
Secretary, Enforcement Review
Committee