

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

RUDY T. GARZA,)

A Director and Former)
President of Padre Federal)
Savings and Loan Association,)
Corpus Christi, Texas)

Re: Enforcement Review
Committee Resolution
No. ERC 89-119
dated October 13, 1989

STIPULATION AND CONSENT TO
ISSUANCE OF ORDER OF
REMOVAL AND PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its Enforcement Review Committee ("ERC"), and Rudy T. Garza, a director and former president of Padre Federal Savings and Loan Association, Corpus Christi, Texas ("Padre Federal"), hereby stipulate and agree as follows:

1. Consideration. The Federal Home Loan Bank Board ("FHLBB") issued and properly served a Notice of Intention to Remove and Prohibit and Notice of Hearing commencing administrative litigation against Rudy T. Garza (In re Garza, FHLBB Res. No. 89-1544, June 8, 1989) pursuant to former Section 5(d)(4) of the Home Owners' Loan Act of 1933, as amended ("HOLA"), 12 U.S.C. § 1464(d)(4) (1982). The Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. 101-73, 103 Stat. 183 ("FIRREA"), amended this removal authority and called for the recodification of this authority at 12 U.S.C. § 1818(e). FIRREA

provides for the continuation of this litigation by the OTS. Rudy T. Garza desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that grounds exist therefor, hereby stipulates and agrees to the following terms in consideration of the OTS's withdrawal of the pending administrative removal and prohibition litigation against him.

2. Jurisdiction.

(a) Padre Federal is a "savings association" within the meaning of Section 3 of the Federal Deposit Insurance Act ("FDIA") and Section 2 of the Home Owners' Loan Act of 1933, as amended by FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(c)).

(b) Rudy T. Garza, as a director of Padre Federal, is an "institution affiliated party" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(c)).

(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, Rudy T. Garza is subject to the authority of the OTS to initiate and maintain a removal and prohibition proceeding against him pursuant to Section 8(e) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)).

3. Consent. Rudy T. Garza consents to the issuance by the

OTS of the accompanying Order of Removal and Prohibition ("Order"). He 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 Section 8(e) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)). Upon its issuance by the ERC it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(i)).

5. Waivers. Rudy T. Garza waives his right to an administrative hearing provided by Section 8(e) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)), 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 (to be codified at 12 U.S.C. § 1818(h)), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the ERC, on behalf of the OTS, and Rudy T. Garza execute this Stipulation and Consent to Issuance of Order of Removal and Prohibition.

OFFICE OF THRIFT SUPERVISION

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Rosemary Stewart
Secretary, Enforcement
Review Committee and
Director of Enforcement

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ORDER OF REMOVAL AND PROHIBITION

WHEREAS, Rudy T. Garza has executed a Stipulation and Consent to Issuance of Order of Removal and Prohibition ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Enforcement Review Committee; and

WHEREAS, Rudy T. Garza, 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"), Pub. L. No. 101-73, 103 Stat. 183,

NOW THEREFORE, IT IS ORDERED that:

1. Rudy T. Garza is removed as a director and is prohibited from further participation, in any manner, in the conduct of the affairs of Padre Federal Savings and Loan Association, Corpus

Christi, Texas ("Padre Federal"), its holding company(ies), or service corporation(s).

2. Without the prior written approval of the OTS (and, if appropriate, another Federal financial institutions regulatory agency), Rudy T. Garza may not 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 (to be codified at 12 U.S.C. § 1818(e)(7)(A)). Pursuant to Section 8(e)(6) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(e)(6)), conduct prohibited by this Order includes, inter alia, the solicitation or exercise of any voting rights with respect to any securities issued by any insured depository institution.

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

4. This Order is subject to the provisions of Section 8(j) of the FDIA, as amended by FIRREA (to be codified at § 1818(j)), and shall become effective on the date it is issued.

THE OFFICE OF THRIFT SUPERVISION

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Rosemary Stewart
Secretary, Enforcement Review
Committee and
Director of Enforcement