

OFFICE OF THRIFT SUPERVISION
APR 10 8 43 AM '95

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

In the Matter of:)
Nai-Yu Pai,)
a Director of)
GATEWAY BANK, a F.S.B.)
San Francisco, California)
_____)

Re: Order No. SF-95-009
Dated: April 7, 1995

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

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Nai-Yu Pai ("PAI"), a director of Gateway Bank, a F.S.B., San Francisco, California, that the OTS is of the opinion that grounds exist to initiate an administrative civil money penalty assessment proceeding against PAI pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(i)(2); and

WHEREAS, the Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue Order of Assessments of Civil Money Penalties where the respondent has consented to the issuance of the Order;

WHEREAS, PAI desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) Gateway Bank, a F.S.B. ("GATEWAY" or "Institution") was a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b) and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C. § 1462(4). Accordingly, it was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) PAI is a director of the Institution and is an "institution-affiliated party" of the Institution as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal Banking agency" with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof.

(d) The Director of the OTS has the authority to bring an administrative proceeding to assess a civil money penalty against persons participating in the conduct of the affairs of the Institution and institution-affiliated parties pursuant to 12 U.S.C. § 1818(i)(2).

(e) PAI is subject to the authority of OTS to initiate and maintain administrative proceedings pursuant to 12 U.S.C. § 1818(i)(2).

2. OTS Findings of Fact.

The OTS finds that PAI engaged in unsafe and unsound practices and failed to fulfill his duties and responsibilities as a director

by failing to ensure GATEWAY's compliance with the Amendment to Order to Cease and Desist - Compliance, OTS No. SF-93-023A, dated July 21, 1994.

3. Consent.

PAI consents to the issuance by the OTS of the accompanying Order of Assessment of Civil Money Penalty ("Order"). PAI further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of the law.

4. Finality.

The Order is issued under 12 U.S.C. § 1818(i)(2). Upon its issuance by the Regional Director or designee for the West Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers.

PAI waives his right to a notice of Assessment of Civil Money Penalty provided by Section 8(i)(2) of the FDIA, 12 U.S.C. § 1818(i)(2), and further waives any right to seek judicial review of the Order, including, within limitation, any such right provided by Section 8(h) of the FDIC, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;

6. Indemnification.

PAI shall neither cause or permit GATEWAY or any successor-in-interest to incur, directly or indirectly, any expense for the

amount of the civil money penalties assessed under the CMP Order or any legal (or other professional expenses) incurred relative to the negotiation and issuance of the CMP Order, nor obtain any indemnification (or other reimbursement) from GATEWAY, or any successor in interest thereof. Any payments received by or on behalf of PAI in connection with this action shall be returned to GATEWAY, or its successor in interest.

7. Other Actions, Proceedings and Parties.

This Stipulation and the accompanying Order are issued solely to settle this proceeding. By entering into this Stipulation and Consent, PAI acknowledges and agrees explicitly to the following provisions:

(a) PAI acknowledges and agrees that this proceeding, the assessment or payment of the penalty contemplated as part of the order thereof, and Respondent's consent to the entry of the Order are for the purposes of resolving this OTS enforcement matter only. By signing this document, PAI agrees that he 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;

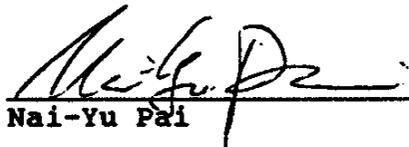
(b) This Stipulation, the Order and the payment by PAI of any monies or providing any other financial relief as contemplated by the Order, does not discharge, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of PAI that

arise pursuant to this action or otherwise, and that may be or have been brought by the RTC or any other governmental entity other than the OTS; and

(c) Respondent's obligation to pay civil money penalties pursuant to this Stipulation and Consent and the Order shall not be dischargeable in bankruptcy under any circumstances.

WHEREFORE, PAI executes this Stipulation and Consent to Issuance of an Order of Assessment of Civil Money Penalty, intending to be legally bound hereby.

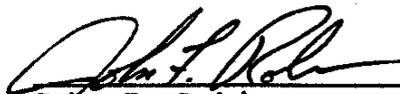
By:



Nai-Yu Pai

Accepted by:

OFFICE OF THRIFT SUPERVISION

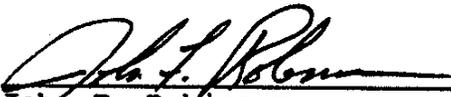


John F. Robinson
Regional Director
West Region

Controller's Division, and a photocopy of the check shall be sent to Suzanne Burwasser, Office of Thrift Supervision, Pacific Telesis Tower, One Montgomery Street, Suite 400, San Francisco, California, 94104.

OFFICE OF THRIFT SUPERVISION

By:


John F. Robinson
Regional Director
West Region