

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	
SALLY M. RENOYSA,)	OTS Order No.: <u>SF-98-006</u>
)	
A former Employee and)	Date: <u>October 14, 1998</u>
Institution-Affiliated)	
Party of)	
)	
Glendale Federal Bank,)	
a Federal Savings Bank,)	
Glendale, California.)	
_____)	

STIPULATION AND CONSENT
TO ISSUANCE OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Sally M. Reynosa ("REYNOSA"), a former employee of Glendale Federal Bank, FSB, Glendale, California ("Glendale Federal"), that the OTS is of the opinion that the grounds exist to initiate prohibition proceedings against REYNOSA pursuant to 12 U.S.C. § 1818(e);¹ and

WHEREAS, REYNOSA desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) Glendale Federal, at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b),

¹All references in this Stipulation and Consent and the Order of Prohibition are to the U.S.C. as amended.

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and Section 2(4) of the Home Owners' Loan Act, 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).

(b) REYNOSA, as a former employee of Glendale Federal is deemed to be an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u) having served in such capacity within six years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against institution-affiliated parties. Therefore, REYNOSA is subject to the authority of the OTS to initiate and maintain prohibition proceedings against her pursuant to 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS finds that while employed at Glendale Federal, REYNOSA misapplied approximately \$11,745 of Glendale Federal's funds for her personal benefit. As a result of these actions, (1) REYNOSA engaged in a violation of the law or breached her fiduciary duty of honesty to Glendale Federal; (2) Glendale Federal suffered a financial loss and/or REYNOSA received a financial benefit or other gain (regardless of whether or not restitution was subsequently made); and (3) the violation of law or breach of fiduciary duty involved personal dishonesty.

3. Consent. REYNOSA consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). She further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

Handwritten signature
10/26/98

4. Finality. The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(e). 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 12 U.S.C. § 1818(i).

5. Waivers. REYNOSA waives the following:

(a) the right to be served with a written notice of the OTS's charges her (referred to as Notice of Intention to Prohibit, see 12 U.S.C. § 1818(e));

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

(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, her consent to issuance of the Order, and/or the issuance of 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.

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6. Indemnification. REYNOSA shall neither cause nor permit Glendale Federal (or any subsidiary thereof) to incur, directly or indirectly, any expense for any legal (or other professional expenses) incurred relative to the negotiation and issuance of the Orders, nor obtain any indemnification (or other reimbursement) from Glendale Federal (or any subsidiary thereof) with respect to such amounts. Any such payments received by or on behalf of the Respondent in connection with this action shall be returned to Glendale Federal.

7. Other Government Actions Not Affected. REYNOSA acknowledges and agrees that the consent to the entry of the Orders are for the purposes of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of REYNOSA that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

8. Acknowledgment of Criminal Sanctions. REYNOSA acknowledges that 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of this Order.

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WHEREFORE, REYNOSA executes this Stipulation and Consent to Issuance of an Order of Prohibition intending to be legally bound hereby.

By:


Sally M. Reynosa

Date: 10-6-98

Accepted by:

Office of Thrift Supervision



Charles A. Dearsoff
Regional Director
West Region

Date: 10-13-98

(reynosa proh stip jah/17)

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Stipulation and Consent


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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

_____))
In the Matter of))
SALLY M. RENOYSA,)) OTS Order No.: SF-98-006
A former Employee and))
Institution-Affiliated)) Date: October 14, 1998
Party of))
Glendale Federal Bank,))
a Federal Savings Bank,))
Glendale, California.))
_____)

CONSENT ORDER OF PROHIBITION

WHEREAS, Sally M. Reynosa ("REYNOSA") has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation") on October 6, 1998; and

WHEREAS, REYNOSA, by her execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1818(e); and

NOW THEREFORE, IT IS ORDERED that:

1. REYNOSA is prohibited from further participation, in any manner, in the conduct of the affairs of Glendale Federal Bank, a Federal Savings Bank ("Glendale Federal"), and any successor institution, holding company, subsidiary, and/or service corporation thereof.

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2. REYNOSA is and shall be subject to the statutory prohibitions provided by 12 U.S.C. § 1818(e), except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(a) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

- (i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- (ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;
- (iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. § 1781 et seq.;
- (iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. § 2001 et seq.;
- (v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(A)(v); and

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(vi) the Federal Housing Finance Board and any Federal Home Loan Bank.

(b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 U.S.C. § 1818(e)(7)(A);

(c) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. § 1813(q); or

(d) vote for a director, or serve or act as an "institution-affiliated party," as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an 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 12 U.S.C. § 1818(j).

5. REYNOSA shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

6. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. The Stipulation and the Order shall remain in effect until terminated, modified or

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suspended, in writing by the OTS, acting through its Director,
Regional Director or other authorized representative.

OFFICE OF THRIFT SUPERVISION

By: 
Charles Deardorff
Regional Director
West Region

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Sally M. Reynosa
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