

OFFICE OF THRIFT SUPERVISION

APPROVAL OF APPLICATION FOR HOLDING COMPANY ACQUISITION AND RELATED APPLICATIONS

Order No.: 99-22

Date: April 28, 1999

American General Corporation, Houston, Texas, and American General Finance, Inc., Evansville, Indiana (collectively, the "Applicants"), have applied to the Office of Thrift Supervision (the "OTS"), pursuant to 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.3 for permission to acquire Standard Pacific Savings, F.A., Newport Beach, California (the "Savings Bank"), for the Savings Bank to purchase substantially all of the assets and assume certain liabilities of American General Financial Center, Midvale, Utah ("AGFC"), pursuant to 12 U.S.C. §§ 1828(c) and 1815(d)(3) and 12 C.F.R. §§ 552.13 and 563.22, for the Savings Bank to redesignate its home office to 7070 Union Park Avenue, Suite 300, Midvale, Utah, and retain the office located at 4590 MacArthur Boulevard, Suite 200, Newport Beach, California, as a branch office, pursuant to 12 C.F.R. §§ 545.92 and 545.95, and for the Savings Bank to change its name to American General Bank, FSB, pursuant to 12 C.F.R. § 543.1 (collectively, "the Applications").

The OTS has considered the Applications, as supplemented by representations by the Applicants, the Savings Bank and their attorneys, under the factors set forth in 12 U.S.C. §§ 1467a(e), 1464(r), 1828(c) and 1815(d)(3), and 12 C.F.R. §§ 543.1, 545.92, 545.95, 556.5, 563.22 and 574.7 and other applicable statutes and regulations. The OTS also has considered the Applications under the Community Reinvestment Act (the "CRA"), 12 U.S.C. § 2901 *et seq.*, and the OTS regulations thereunder, 12 C.F.R. Part 563e. The OTS has considered comments on the Applications submitted by Inner City Press/Community on the Move, Bronx, New York and the California Reinvestment Committee, San Francisco, California. In addition, the OTS has considered analyses prepared by the Office of Examination and Supervision and the West Regional Office, an analysis from Compliance Policy and a legal opinion from the Business Transactions Division (collectively, the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, and after review of the comments, the OTS finds that the Applications satisfy the applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the West Regional Director, or his designee ("Regional Director"). Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The Applicants and the Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Office;

2. The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order or within such additional period as the Regional Director may grant and the proposed purchase and assumption transactions must be consummated no earlier than fifteen (15) calendar days after the date of this Order;
3. On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officers of the Applicants and the Savings Bank must certify in writing to the Regional Director that no material adverse changes have occurred with respect to the financial condition or operation of the Applicants and the Savings Bank, respectively, as disclosed in the Applications, including but not limited to directors, shareholders, or the business plan; and provided further, that no additional information having an adverse bearing on any feature of the Applications has been brought to the attention of the Applicants, the Savings Bank or the OTS since the date of the financial statements submitted with the Applications;
4. The Applicants and the Savings Bank must advise the Regional Office in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications and this Order;
5. No later than 30 calendar days following the date of consummation, the Savings Bank shall submit evidence that it has advised, in writing, each accountholder whose withdrawable accounts in the Savings Bank will exceed \$100,000 as a result of the effect of the transaction on their deposit insurance coverage;
6. The charter and bylaws of the Savings Bank must be properly amended to reflect the change in corporate title to "American General Bank, FSB" and the redesignation of the institution's home office as Midvale, Utah;
7. The Savings Bank must operate within the parameters of its business plan. The Applicants and the Savings Bank must submit any proposed major deviations or material changes from the plan (including changes resulting from decisions made by the Applicants), and in particular, those pertaining to the cross-marketing or changes in delivery systems, for the prior, written non-objection of the Regional Director. The request for change must be submitted a minimum of 60 calendar days before the proposed change is implemented. Further, during the first three years following the consummation of the proposed transaction, the OTS may require public notice, consider public comments and arrange meetings with commenters in connection with its review of any such request, and may impose conditions on the Savings Bank as part of any OTS approval of the changed business plan;

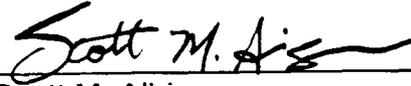
8. At least 40 percent of the Savings Bank's board of directors must be comprised of individuals who are not officers or employees of the Applicants or affiliates thereof and at least one member of the Savings Bank's board of directors must be an individual who is not an officer, director or employee of the Applicants or any affiliate and who is not an officer or employee of the Savings Bank. At least 50 percent of the Savings Bank's audit and investment committees must be comprised of directors who are not officers or employees of the Savings Bank, the Applicants or any affiliates. If compliance with this condition involves the selection of additional director(s), each director must receive the prior approval of the Regional Director;
9. The approval of the proposed transaction does not constitute prior approval of any dividend payments projected over the term of the business plan and the payment of any such dividends or other capital distributions are subject to the prior notice or application requirements of Subpart E of 12 C.F.R. Part 563;
10. Any contracts or agreements pertaining to transactions with affiliates, not yet submitted to the OTS for review, must be provided to the Regional Director, or his designee, at least 30 days prior to execution and must receive his written non-objection prior to implementation;
11. No later than 60 calendar days after the consummation of the proposed transaction, the Savings Bank must submit to the Regional Director for his review and approval, an enhanced compliance management program that includes, at a minimum, the following components:
 - a. The assignment of specific compliance responsibilities to individuals who are knowledgeable and experienced in administering consumer protection, nondiscrimination, and other compliance laws administered by the OTS;
 - b. Regular and comprehensive self-assessment reviews to ensure compliance on a day-to-day basis;
 - c. Periodic compliance audits;
 - d. Comprehensive training for all affected staff; and
 - e. Appropriate written policies and procedures;
12. No later than 30 days after the end of each calendar quarter, the Savings Bank must submit a status report, in a form acceptable to the Regional Director, that details the implementation of its compliance management program and the results of its compliance monitoring efforts as required by the compliance management program;

13. Prior to initiating mortgage lending operations, the Savings Bank must develop and implement, for each loan product that will be offered, underwriting policies, procedures, and forms. In addition, the Savings Bank must develop policies and procedures for selection and ongoing evaluation of loan brokers with which it does business. Each of the foregoing policies and procedures must be submitted to the Regional Director for review and approval;
14. At least 10 calendar days prior to consummating the proposed purchase and assumption transactions, the Savings Bank must submit a proposed methodology for the collection of loan distribution data by borrower income and geography for the Savings Bank's credit card and other consumer lending programs. This methodology must be acceptable to the Regional Director, and should apply to all of the Savings Bank's credit applications;
15. At least 10 calendar days prior to consummating the proposed purchase and assumption transactions, the Savings Bank must amend its CRA plan to:
 - a. Incorporate collection, monitoring, and analysis of the geographic and borrower distribution characteristics of the Savings Bank's credit card and other consumer lending programs; and
 - b. Establish distinct goals and objectives for these products under each of the relevant rating criteria, as well as the time frames for achieving these items;
16. No later than 30 calendar days after the end of each calendar quarter, the Savings Bank must submit a status report, in a form acceptable to the Regional Director, detailing:
 - a. The results of its various lending programs and initiatives; and
 - b. Its level of lending to low- and moderate-income individuals and communities;
17. Any affiliate of the Applicants that engages in securities brokerage activities ("Broker Dealer affiliate") must be operated as a separate legal entity from the Savings Bank so that: (a) their respective accounts and records are not intermingled; (b) each observes the procedural formalities of separate legal titles; (c) each is held out to the public as a separate enterprise; and (d) neither dominates another to the extent that one is treated as a mere department of the other;
18. A majority of the Savings Bank's board of directors must not be comprised of individuals that are directors or employees of any Broker Dealer affiliate;

19. The Savings Bank and any Broker Dealer affiliate are prohibited from sharing common officers unless prior written approval is obtained from the Regional Director, which must be based on criteria such as regulatory compliance, experience, character, integrity and the ability to perform both duties;
20. With respect to transactions between the Savings Bank and the Broker Dealer affiliate, the Savings Bank and the Broker Dealer affiliate must take measures necessary to ensure that their officers and directors adhere to the principles set forth in OTS regulations on conflicts of interest, 12 C.F.R. § 563.200; corporate opportunity, 12 C.F.R. § 563.201; and any other additional or successor statements of policy or regulations addressing these subjects. The officers and directors of the Savings Bank and the Broker Dealer affiliate are prohibited from using their influence to: (a) take advantage of a business opportunity for the Broker Dealer affiliate's benefit when the opportunity is of present or potential advantage to the Savings Bank; or (b) place the Broker Dealer affiliate in a position that leads to, or could create the appearance of a potential conflict of interest;
21. The Savings Bank, the Applicants and the Broker Dealer affiliate are subject to the provisions of 12 C.F.R. § 563.76, *Offers and Sales of Securities at an Office of Savings Association*, and related policy established in OTS Thrift Bulletins 23-2, *InterAgency Statement on Retail Sales of Nondeposit Investment Products* (the "InterAgency Statement"), and 23a, *Limited Exceptions to Prohibitions on Sales of Savings Institution's Securities*, and any additional or successor statements of policy or regulations addressing these subjects. The Savings Bank and the Applicants shall ensure compliance by any Broker Dealer affiliate with, at a minimum, the General Guidelines in Disclosures and Advertising set forth in the InterAgency Statement whenever the Broker Dealer affiliate or their representatives market, or offer for sale, deposit products of the Savings Bank; and
22. The Savings Bank's Year 2000 efforts must comply with the terms, milestone dates, requirements and conditions contained in all Year 2000 guidance issued by the OTS and/or the Federal Financial Institutions Examination Council. The Savings Bank must submit a copy of its testing and contingency plans to the Regional Director within 10 calendar days after the consummation of the proposed transaction.

Any time period set forth herein may be extended for up to 30 days, for good cause, by the Regional Director.

By order of the Director of the Office of Thrift Supervision, or her designee, effective
April 28, 1999.

A handwritten signature in black ink, reading "Scott M. Albinson". The signature is written in a cursive style with a long horizontal flourish at the end.

Scott M. Albinson
Managing Director
Office of Supervision