KAPLAN GETS CEASE AND DESIST ORDER, INCLUDES RESTITUTION, MONEY PENALTY

WASHINGTON, D.C., Feb. 16, 1996 -- Donald L. Kaplan, a former director of a Florida savings bank and its holding company, has been ordered to pay restitution and a civil money penalty totaling $683,600. He also is precluded from simultaneous service on the board of any thrift and the boards of affiliated companies under an order issued by the Office of Thrift Supervision (OTS).

Kaplan must pay $500,000 in restitution to American Savings Bank of Miami, Fla., of which he was formerly a director, as well as a civil money penalty of $183,600 to the U.S. Treasury.

In March 1994 OTS charged Kaplan with breaches of fiduciary duty while serving simultaneously on the board of directors of American and its parent holding company, the Enstar Group, Inc. At an Enstar board meeting, Kaplan voted to approve a transaction designed to take valuable collateral pledged by a subsidiary of Enstar to American and to use that collateral to ease the cash needs of another Enstar subsidiary.

In exchange, Enstar provided American with substitute collateral, composed of unappraised and untraded stock of Enstar Retail, a subsidiary of Enstar. The transaction served only the interests of Enstar and Enstar Retail, provided no benefit to American and subjected American to substantial risks.

Kaplan subsequently failed to disclose material information on the transaction to American, including three directors who had no reason otherwise to know of the transaction. As a result, American was unable to protect itself from multi-million dollar losses that ultimately flowed from the transaction. Enstar Retail went bankrupt within six months of the transaction.

The decision was made by Jonathan Fiechter, OTS acting director.

Kaplan has the right to appeal the decision to the U.S. Court of Appeals.
The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents call PubliFax at 202/906-5660, or visit the OTS web page at www.ots.treas.gov.