

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

In the Matter of:)
)
Saddle River Valley Bank)
Saddle River, New Jersey)

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through its predecessor the Office of Thrift Supervision, has examined Saddle River Valley, Saddle River, New Jersey (Bank), and has concluded that the Bank engaged in unsafe or unsound banking practices and violated the law by failing to have procedures reasonably designed to ensure compliance with the Bank Secrecy Act, as required by 12 C.F.R. § 163.177 (formally 12 C.F.R. § 563.177). The Bank, by and through its Board of Directors, has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated October 17, 2011, that is accepted by the Comptroller. By this Stipulation and Consent that is incorporated by reference the Bank has consented to the issuance of this Consent Order (“Order”) by the Comptroller.

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I

COMPLIANCE COMMITTEE

(1) The Board shall maintain a Compliance Committee of at least four (4) directors, of which no more than one (1) shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. The names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall be submitted in writing to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

(2) The Compliance Committee shall meet at least monthly.

(3) Within forty-five (45) days of the date of this Order and quarterly thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) a description of the action needed to achieve compliance with each Article of this Order;
- (b) actions taken to comply with each Article of this Order; and
- (c) the results and status of those actions.

(4) The Bank shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to Assistant Deputy Comptroller Joseph Donohue, Harborside Financial Center Plaza Five, Suite 1600, Jersey City, New Jersey 07311, within ten (10) days of receiving such report.

ARTICLE II

BOARD TO ENSURE COMPETENT MANAGEMENT

(1) The Board shall ensure that the Bank has competent management in place on a full-time basis, including in its President/Chief Executive Officer and BSA Officer positions, who shall be vested with sufficient executive authority to fulfill the duties and responsibilities of the positions and ensure the safe and sound operation of the Bank.

(2) If a position mentioned in Paragraph (1) of this Article is vacant now or in the future, including if the Board realigns an existing officer's responsibilities and a position mentioned in Paragraph (1) of this Article becomes vacant, the Board shall within ninety (90) days of such vacancy appoint a capable person to the vacant position who shall be vested with sufficient executive authority to ensure the Bank's compliance with this Order and the safe and sound operation of functions within the scope of that position's responsibility.

(3) Prior to the appointment of any individual to the President/Chief Executive Officer or BSA Officer positions, the Board shall submit to the Assistant Deputy Comptroller the following information:

- (a) the information sought in the "Changes in Directors and Senior Executive Officers" and "Background Investigations" booklets of the Comptroller's Licensing Manual, together with a legible fingerprint card for the proposed individual;
- (b) a written statement of the Board's reasons for selecting the proposed officer; and
- (c) a written description of the proposed officer's duties and responsibilities.

(4) The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed new senior executive officer. However, the lack of disapproval of such individual shall not constitute an approval or endorsement of the proposed director.

(5) The requirement to submit information and the prior disapproval provisions of this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Assistant Deputy Comptroller to complete his/her review and act on any such information or authority within ninety (90) days.

ARTICLE III

INTERNATIONAL WIRE TRANSFERS

(1) The Bank shall not reinitiate the processing or originating of any international wire transfers until such time as:

- (a) the Bank has obtained an automated system for the processing of wires that will enable the Bank to identify potentially suspicious activities and monitor and aggregate transactions by originator and beneficiary; and
- (b) the Bank has developed and the Board has adopted and implemented written policies and procedures, risk management systems, a written Customer Identification Program, and a Bank Secrecy Act/Anti-Money

Laundering program, in accordance with 12 C.F.R. § 163.177¹, that will result in the effective monitoring, detection, and reporting of suspicious activities in the processing of international wires.

(2) Immediately after their adoption, but prior to their implementation, the Board approved risk management systems and policies and procedures shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no objection. In the event the Assistant Deputy Comptroller recommends changes to the system or policies and procedures, the Board shall immediately incorporate those changes as directed.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policies and procedures developed pursuant to this Article.

¹ In order to facilitate the OCC's enforcement and administration of former OTS rules and to make appropriate changes to these rules to reflect OCC supervision of federal savings associations as of the transfer date, the OCC republished, with nomenclature and other technical changes, the OTS regulations formerly found in Chapter V of Title 12 of the Code of Federal Regulations. The republished regulations are codified with the OCC's regulations in Chapter I at parts 100 through 197 ("Republished Regulations"), effective on July 21, 2011. The Republished Regulations supersede the OTS regulations in Chapter V for purposes of OCC supervision and regulation of federal savings associations. OTS Integration Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; Interim Final Rule, 76 Fed.Reg. 48,950 (Aug. 9, 2011). References in this document are to the Republished Regulations at 12 C.F.R. Chapter I.

ARTICLE IV

REMOTE DEPOSIT CAPTURE TRANSACTIONS

(1) The Bank shall not reinitiate the processing of Remote Deposit Capture (“RDC”) transactions for money service businesses until such time as the Board has adopted and the Bank has implemented, risk management systems, written policies and procedures, and a Bank Secrecy Act/Anti-Money Laundering program, in accordance with 12 C.F.R. § 163.177, that will result in due diligence on the Bank’s customers, their lines of business, the parties to whom their customers are providing services through the Bank and those customers’ lines of business, and the effective monitoring, detection, and reporting of suspicious activities in the processing of RDC transactions.

(2) Immediately after their adoption, but prior to their implementation, the Board approved risk management systems and policies and procedures shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no objection. In the event the Assistant Deputy Comptroller recommends changes to the system or policies and procedures, the Board shall immediately incorporate those changes as directed.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policies and procedures developed pursuant to this Article.

ARTICLE V

STUDY OF BANK SECRECY ACT COMPLIANCE

(1) Within ninety (90) days of the date of this Order, a qualified independent Consultant previously retained by the Bank to assess the Bank's staffing, training, policies and procedures, risk assessment, monitoring systems, and internal control deficiencies in the BSA area shall:

- (a) complete a study of the responsibilities, competence, and capabilities of the Bank's BSA Officer and the BSA Officer's supporting staff who monitor, ensure, and oversee the Bank's compliance with the BSA, as amended (31 U.S.C. §§ 5311-5330), the regulations promulgated thereunder at 31 C.F.R. §§ 1010- 1028, as amended, and 12 C.F.R. §§ 163.177 and 163.180, including amendments from the USA PATRIOT Act (collectively referred to as the "BSA Requirements"), and the rules and regulations administered by the Office of Foreign Assets Control ("OFAC Programs");
- (b) assess the levels of risks throughout the Bank, including risks for all accounts, customers, products, services, and geographic areas;
- (c) develop findings, observations and recommendations in an Internal Controls Report on the Bank's internal controls addressing compliance with the BSA Requirements, with particular emphasis on wires and remittances;

(2) Within ninety (90) days of the date of retention, the Consultant's findings, observations, and recommendations made in connection with the assessments and reviews conducted in accordance with paragraph (1) of this Article shall be set forth in the Internal

Controls Report to the Board, with a copy submitted to the Assistant Deputy Comptroller. At a minimum, the report shall address the following issues:

- (a) the level and scope of responsibilities of the BSA Officer;
- (b) the level and scope of responsibilities of the BSA Officer's supporting staff, including recommendations for additional staffing;
- (c) the competence of the BSA Officer and the BSA Officer's supporting staff in monitoring and ensuring the Bank's compliance with the Bank Secrecy Act, including:
 - (i) establishing risk-based internal controls and
 - (ii) ensuring that Bank management implements systems and controls to identify, monitor, access and report potentially suspicious transactions;
- (d) the capability of the BSA Officer and the BSA Officer's supporting staff to monitor and ensure the Bank's compliance with the Bank Secrecy Act, including:
 - (i) education and training focused on bank operations;
 - (ii) knowledge of the process and systems for monitoring suspicious activities; and
 - (iii) expertise in the laws and regulations of the United States for the BSA Requirements and OFAC Programs;
- (e) an evaluation of the types of the transactions, including accounts, customers, products, services, and geographic areas, that pose greater than normal risks for compliance with the Bank Secrecy Act, including money

remitters, intermediary wires, pouch activities, money service businesses, import/export companies, and offshore corporations;

- (f) recommendations for improving the Bank's internal controls to ensure compliance with the BSA and taking into consideration the number and dollar volume of wire activity, including recommendations for enhancements and appropriate parameters to the Bank's automated system required by Article II; and
- (g) recommendations to implement a comprehensive compliance oversight process that requires monthly reports to the Board of the Bank's BSA Compliance activities and findings.

(3) The Board shall assure ongoing compliance with the Consultant's findings, observations and recommendations.

ARTICLE VI

BANK SECRECY ACT - COMPLIANCE FUNCTION

(1) Within sixty (60) days of receipt of the Consultant's Internal Controls Report produced in accordance with Article V of this Order, the Board shall determine whether any changes are needed regarding the Bank's BSA Officer, including the responsibilities, authority, structure, independence or skills of the BSA Officer. In particular, the Board should ensure that the BSA Officer has sufficient training, authority, and skill to perform his/her assigned responsibilities.

(2) Within sixty (60) days of receipt of the Consultant's Internal Controls Report, the Board shall determine whether any changes are needed regarding the Bank's BSA Officer's

supporting staff, including the responsibilities, authority, structure, independence, competencies, or capabilities of the BSA Officer's supporting staff.

(3) Within sixty (60) days of receipt of the Consultant's Internal Controls Report, the Bank shall submit the Board's determination(s) in response to this Report to the Assistant Deputy Comptroller for a determination of no supervisory objection prior to implementing any needed changes as set forth in paragraphs (1) or (2) of this Article.

(4) The requirement to submit information and the provision for a prior determination of no supervisory objection in this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Assistant Deputy Comptroller to complete his review and act on any such information or authority within ninety (90) days.

ARTICLE VII

LOOKBACK REPORT

(1) Within ninety (90) days of the date of this Order, one or more of the Consultants previously retained by the Bank or its counsel to conduct a lookback review shall conduct a review of all wire and account activity at the Bank since August 1, 2009 through the date on which such activity was terminated by the Bank related to the foreign correspondent banking relationships noted in the Bank's most recent Report of Examination in order to ascertain any unusual or suspicious transactions that may have occurred at the Bank during this period. At the OCC's sole discretion, the period of review may be expanded to cover a period prior to this date once the results of the Consultant's review are reviewed and accepted by the OCC.

(2) Within thirty (30) days of the conclusion of the review, the Consultant's findings, observations, and recommendations made in connection with the reviews conducted in

accordance with paragraph (1) of this Article shall be set forth in the Lookback Report to the Board, with a copy submitted to the Assistant Deputy Comptroller.

(3) Within thirty (30) days of receiving the Lookback Report of the Consultant, the Bank shall file Suspicious Activity Reports (“SARs”), in accordance with 12 C.F.R. § 163.180, for any previously unreported suspicious activity identified during this review.

(4) The Board shall assure ongoing compliance with the Consultant’s findings, observations and recommendations.

ARTICLE VIII

BANK SECRECY ACT - INTERNAL CONTROLS

(1) Within sixty (60) days of receipt of the Consultant’s Internal Controls Report produced in accordance with Article V of this Order and in response to any risks and deficiencies identified by the Consultant, the Bank shall strengthen the Bank’s written BSA policies and procedures to ensure that such policies and procedures are comprehensive and effective for promoting ongoing compliance with the suspicious activity monitoring and reporting requirements of the BSA. Policies and procedures should include at a minimum the following:

- (a) a system of internal controls, independent testing and auditing to ensure ongoing compliance with the BSA requirements;
- (b) an integrated process for linking accounts across all business lines to evaluate patterns of activity;
- (c) a written Customer Identification Program that complies with 31 C.F.R. § 1020.220;
- (d) definitions and guidance for identification of high risk accounts;

- (e) operating procedures for both the opening of new accounts and the monitoring of high risk accounts, in particular wires, money remitters, money service businesses, accounts for jewelry and precious metal dealers, import/export companies, and off-shore corporations;
- (f) strengthening customer due diligence policies and procedures including, but not limited to, requiring additional information for higher-risk customers, wires, and transactions inconsistent with customers' known occupation and income levels, which includes conducting due diligence in order to assess the legitimacy of the transaction;
- (g) to the extent the Bank conducts business related to foreign correspondent banking, strengthening due diligence policies and procedures for the foreign correspondent accounts, including conducting due diligence in order to assess the legitimacy of transactions through the foreign correspondent account;
- (h) procedures to ensure that records are maintained on funds transfers, as required by the Bank Secrecy Act;
- (i) comprehensive procedures to identify and report to appropriate management personnel activity in accounts within the Bank with respect to the following:
 - (i) frequent or large volume cash deposits or wire transfers or book entry transfers to or from offshore or domestic entities or individuals;

- (ii) wire transfers or book entry transfers that are deposited into several accounts;
 - (iii) receipt and disbursement of wire transfers or book entry transfers without an apparent business reason;
 - (iv) receipt and disbursement of wire transfers or book entry transfers when they are inconsistent with the customer's business;
 - (v) receipt and disbursement of currency or monetary instruments when they are inconsistent with the customer's business; and
 - (vi) bank accounts opened in the name of money service businesses, a casa de cambio (money exchange house) or any "financial institution" as defined in 31 C.F.R. § 1010.100(t) (bank, broker/dealer, currency dealer or exchanger, issuer or seller or redeemer of traveler's checks or money orders, transmitter of funds, telegraph company, casino, etc.).
- (j) a comprehensive training program for the Board of Directors and all other appropriate operational and supervisory personnel to ensure their awareness of and compliance with the following:
- (i) the BSA requirements and OFAC programs, including the currency reporting and monetary instrument and funds transfer recordkeeping requirements;
 - (ii) the reporting requirements associated with SARs; and
 - (iii) the identification of suspicious activity in intermediary wires, demand drafts and foreign correspondent banking;

- (k) delegation of responsibility to the BSA officer or other officer for filing CTRs and Reports of International Transportation of Currency or Monetary Instruments (CMIRs);
- (l) comprehensive guidelines and procedures to identify and report both the shipment and receipt of currency or monetary instruments and to set forth the exceptions to such reporting;
- (m) comprehensive guidelines and procedures that will address reporting and filings SARs for pouch activity;
- (n) a standard review process for the Bank's remittance program and an adequate system to monitor the remittance activities, including a requirement to obtain sufficient information to verify the legitimacy of the transaction;
- (o) to the extent that the Bank continues to conduct business relating to foreign correspondent banking, ensuring effective BSA risk management, which includes the following:
 - (i) at a minimum, management should incorporate the foreign correspondent banking procedures from the interagency BSA handbook and
 - (ii) the procedures should identify the nature and the level of activities expected from the foreign correspondent accounts and determine if such services may be offered to non-accountholders;

(2) Upon completion and approval of the Board, a copy of this program shall be submitted to the Assistant Deputy Comptroller for review. In the event the Assistant Deputy

Comptroller recommends changes to the program, the Board shall immediately incorporate those changes into the program.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE IX

BSA - AUDIT FUNCTION

(1) Within sixty (60) days of receipt of the Consultant's Internal Controls Report produced in accordance with Article IV of this Order and in response to any risks and deficiencies identified by the Consultant, the Board shall review and complete a written evaluation of the level of service and quality of the audit function that is currently being provided to the Bank. Such assessment shall include an analysis of whether this party can provide an audit function capable of ensuring the Bank's BSA compliance. The Board's written evaluation shall be provided to the Assistant Deputy Comptroller immediately after its completion.

(2) Within sixty (60) days of effective date of this Order, the Board shall ensure that (i) the scope of the audit coverage of the Bank's BSA program is comprehensive, and that independent testing is conducted in accordance with 12 C.F.R. § 163.177; and (ii) the Bank's audit procedures include:

- (a) a risk-based approach to BSA compliance that includes transactional testing and verification of data for higher risk businesses or accounts or geographic areas of specific concern;
- (b) procedures to:

- (i) review transactional Bank activities, including lending and, wire transfer activities;
- (ii) detect irregularities in the Bank's operations;
- (iii) determine the Bank's level of compliance with all applicable laws, rules and regulations, including the USA Patriot Act;
- (iv) evaluate the Bank's adherence to established policies and procedures;
- (v) perform an appropriate level of testing to support the audit findings;
- (vi) ensure adequate audit coverage in all areas; and
- (vii) establish an annual audit plan using a risk based approach sufficient to achieve these objectives;

(3) The Board shall ensure, on an on-going basis, that auditors selected to conduct the Bank's BSA audits have the requisite expertise to develop findings, observations and recommendations so as to ensure the Bank's on-going compliance with its BSA obligations.

ARTICLE X

SUSPICIOUS ACTIVITY REPORTS

(1) Within sixty (60) days after the date of this Order, the Bank shall develop and implement, and thereafter the Board shall ensure Bank adherence to a written program to establish a system of internal controls and processes to ensure compliance with the requirements to file Suspicious Activity Reports set forth in 12 C.F.R. § 163.180. At a minimum, this written program shall establish procedures for identifying and reporting known or suspected violations

of Federal law, violations of the Bank Secrecy Act, or suspicious transactions related to money laundering activity, including suspicious activity relating to the opening of new accounts, the monitoring of current accounts, and the transfer of funds through the Bank.

(2) Upon completion, a copy of this program shall be submitted to the Assistant Deputy Comptroller for review. In the event the Assistant Deputy Comptroller recommends changes to the program, the Board shall immediately incorporate those changes into the program.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE XI

INTEREST RATE RISK POLICY

(1) Within sixty (60) days, the Board shall adopt and thereafter ensure Bank adherence to a written interest rate risk policy that is consistent with Regulatory Guidance. The policy shall provide for a coordinated interest rate risk strategy and, at a minimum, require:

- (a) that the ALCO committee of the Board meet at least quarterly to review the Bank's Interest Rate Risk;
- (b) the establishment of adequate management reports on which to base sound interest rate risk management decisions;
- (c) establishment and guidance of the Bank's strategic direction and tolerance for interest rate risk;
- (d) implementation of effective tools to measure and monitor the Bank's performance and overall interest rate risk profile;

- (e) employment of competent personnel to manage interest rate risk;
- (f) prudent limits on the nature and amount of interest rate risk that can be taken; and
- (g) quarterly review of the Bank's adherence to the policy.

(2) Upon adoption, a copy of the written policy shall be forwarded to the Assistant Deputy Comptroller for review.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE XII

ASSET/LIABILITY MANAGEMENT POLICY

(1) Within sixty (60) days, the Board shall adopt and thereafter ensure Bank adherence to a written liquidity, asset and liability management policy. The policy shall provide for a coordinated asset/liability management strategy and, at a minimum, require:

- (a) adequate management reports that enable the Board and management to monitor the Bank's liquidity position and maintain liquidity at an adequate level;
- (b) the liquidity, maturity and pledging requirements of the investment portfolio;
- (c) development of a liquidity contingency plan;

- (d) guidelines concerning the nature, extent, and purpose of the Bank's use of brokered deposits consistent with the Bank's overall funds management strategies;
- (e) the nature, extent and purpose of Bank borrowings;
- (f) limits on concentrations of funding sources; and
- (g) periodic review of the Bank's adherence to the policy.

(2) Upon adoption, a copy of the written policy shall be forwarded to the Assistant Deputy Comptroller for review.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE XIII

NEW PRODUCTS AND SERVICES

(1) Prior to the Bank's involvement in any new products or services that are not contemplated by the Bank's business and strategic plan that was reviewed by the OTS in connection with the 2010 Change in Control at the Bank, the Bank shall prepare a written analysis of said product or service. The analysis shall, at a minimum, include the following:

- (a) an assessment of the risks and benefits of the product or service to the Bank;
- (b) an explanation of how the product or service is consistent with the Bank's strategic plan;

(c) an evaluation of the adequacy of the Bank's organizational structure, staffing, MIS, internal controls and written policies and procedures to identify, measure, monitor, and control the risks associated with the product or service; and

(d) a profitability analysis, including growth projections and interest rate risk.

(2) Prior to the Bank's involvement in the new product or service, a copy of the analysis shall be submitted to the Assistant Deputy Comptroller, whose prior determination of no supervisory objection must be provided before the Bank may engage in or offer the new product or service.

ARTICLE XIV

EMPLOYMENT AGREEMENTS

Effective immediately, the Bank shall not enter into, renew, extend or revise any contractual arrangement relating to compensation or benefits for any Senior Executive Officer (defined at 12 C.F.R. § 163.555) or director of the Bank, unless it first provides the Assistant Deputy Comptroller with not less than thirty (30) days prior written notice of the proposed transaction. The notice to the Assistant Deputy Comptroller shall include a copy of the proposed employment contract or compensation arrangement or a detailed, written description of the compensation arrangement to be offered to such officer or director, including all benefits and perquisites. The Board shall ensure that any contract, agreement or arrangement submitted to the Assistant Deputy Comptroller fully complies with the requirements of 12 C.F.R. Part 359, 12 C.F.R. §§ 163.39 and 163.161(b), and 12 C.F.R. Part 170 – Appendix A.

ARTICLE XV

CLOSING

(1) Although this Order requires the Bank to submit proposed actions and programs for the review or prior written determination of no objection to the Assistant Deputy Comptroller, the Board has the ultimate responsibility for proper and sound management of the Bank as well as compliance with all of the provisions contained in this Order.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Order in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

- (a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Order;

- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Order;
- (c) follow-up on any material non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b) and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(7) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

(8) Nothing in this Order or the Stipulation and Consent, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Order or the Stipulation and Consent.

IT IS SO ORDERED, this 17th day of October, 2011.

/s/

10/17/2011

Kristin Kiefer
Associate Deputy Comptroller

Date

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

In the Matter of:)
)
Saddle River Valley Bank)
Saddle River, New Jersey)

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

The Comptroller of the Currency of the United States of America (“Comptroller”) has initiated cease and desist proceedings against Saddle River Valley Bank (“Bank”), pursuant to 12 U.S.C. § 1818(b).

The Bank, in the interest of compliance and cooperation, consent to the issuance of a Consent Order, dated October 17, 2011 (“Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, by and through its Board of Directors, hereby stipulate and agree to the following:

ARTICLE I

JURISDICTION

(1) The Bank is a Federal Savings Association within the meaning of 12 U.S.C. § 1462(f) and an insured depository institution within the meaning of 12 U.S.C. § 1813(c).

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

ARTICLE II

AGREEMENT

(1) The Bank, without admitting or denying any wrongdoing, hereby consent and agree to the issuance of the Order by the Comptroller. The Bank further agrees that said Order shall be deemed an “order issued with the consent of the depository institution” as used in 12 U.S.C. § 1818(h)(2), and consent and agree that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i).

(2) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(3) The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or

entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of its supervisory responsibilities.

ARTICLE III

WAIVERS

- (1) The Bank, by signing this Stipulation and Consent, hereby waive:
 - (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
 - (b) any and all procedural rights available in connection with the issuance of the Order ;
 - (c) all rights to seek any type of administrative or judicial review of the Order; and
 - (d) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

OTHER ACTION

(1) The Bank agrees that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/

10/17/2011

Kristin Kiefer
Associate Deputy Comptroller

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/

10/17/2011

John J. Oros

Date

/s/

10/17/2011

David F. McBride

Date

/s/

10/17/2011

Douglas H. Dittrick, Jr.

Date

/s/

10/17/2011

Robert Gillespie

Date

/s/

10/17/2011

Terrence O'Connor

Date

/s/

10/17/2011

Sally Rocker

Date

/s/

10/17/2011

Ralph Valvano

Date

Date

Date