

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

In the Matter of)
JAMES R. LARSON,)
formerly an officer of)
Savings Bank of the Finger)
Lakes, FSB, Geneva, New York)

Re: OTS Order No. NE95-11

Dated: September 27, 1995

STIPULATION AND CONSENT TO ISSUANCE OF CONSENT ORDER

This Stipulation and Consent to Issuance of Consent Order ("Stipulation"), concerning the accompanying CONSENT ORDER OF PROHIBITION (the "Order"), is made by JAMES R. LARSON, and is accepted by the OFFICE OF THRIFT SUPERVISION ("OTS"), an office within the United States Department of the Treasury, acting by and through its Regional Director for the Northeast Region.

R E C I T A L S

WHEREAS, until February 1995 JAMES R. LARSON served as a senior vice president of SAVINGS BANK OF THE FINGER LAKES, F.S.B., Geneva, New York (the "Savings Bank") (OTS No. 7874), which is a federally chartered savings association regulated by the OTS; and

WHEREAS, the OTS finds that in mid-October 1994 JAMES R. LARSON violated 12 C.F.R. § 575.3(c) by signing the names of some Savings Bank depositors on some regulatorily required proxy cards, without proper authorization, and, by virtue of the foregoing, the interests of some of the Savings Bank's depositors have been or could have been prejudiced; and

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed JAMES R. LARSON that the OTS is of the opinion that the grounds exist to

initiate an administrative proceeding against JAMES R. LARSON for the issuance of an administrative prohibition order, pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e).¹

NOW, THEREFORE, JAMES R. LARSON, without admitting or denying that the aforesaid grounds exist or the OTS' findings and opinions expressed above, and due to his desire to cooperate with the OTS and to avoid the time and expense of administrative litigation with the OTS, hereby stipulates and agrees as follows:

1. Consideration. JAMES R. LARSON, in view of the foregoing premises and for the purposes of this settlement only, hereby voluntarily enters into this Stipulation and consents to issuance of the Order in consideration for OTS forever releasing and discharging him from all potential administrative claims and charges that have been or might have been asserted by the OTS against him based on any of his acts relating or incident to the Savings Bank's mutual holding company reorganization during 1994.

2. Jurisdiction.

(a) The Savings Bank is 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). The Savings Bank also is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) JAMES R. LARSON was an officer of the Savings Bank,

1. All references to the United States Code ("U.S.C.") in this Stipulation and the Order are to the U.S.C. as amended.

and with respect to the Savings Bank is an "institution-affiliated party," as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of his execution hereof.

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" to maintain administrative enforcement proceedings against institution-affiliated parties relative to savings associations, and therefore JAMES R. LARSON is subject to the jurisdiction and authority of the OTS to initiate and maintain administrative proceedings against him pursuant to provisions of Section 8 of the FDIA, 12 U.S.C. § 1818, including but not limited to 12 U.S.C. § 1818(e).

3. Consent. JAMES R. LARSON consents to the issuance by the OTS of the Order, and agrees to comply with the terms of the Order. JAMES R. LARSON further stipulates that the Order (including the OTS' issuance thereof) complies with all requirements of law.

4. Finality. The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(e). Upon its issuance by the OTS (by and through its Regional Director for the Northeast Region), the Order shall be a final order that is effective and fully enforceable by the OTS under provisions of federal law, including, but not limited to, 12 U.S.C. § 1818(i).

5. Waivers; Other Proceedings Not Affected.

(a) JAMES R. LARSON voluntarily and knowingly waives:
(i) his right, pursuant to 12 U.S.C. § 1818(e) and other federal

law, to be served with a written notice of the OTS' charges against him; his right, pursuant to 12 U.S.C. § 1818(e) and other federal law, to an administrative adjudicatory hearing of the OTS' charges against him; and (iii) the right to seek judicial review of the Order, including (but not limited to) any such right provided by 12 U.S.C. § 1818(h)(2), or otherwise to challenge the validity of the Order.

(b) JAMES R. LARSON further voluntarily and knowingly waives any and all claims for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law or under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

(c) JAMES R. LARSON acknowledges and agrees that his consent to the OTS' issuance of the Order is intended solely for purposes of settling and resolving the OTS' claims against him, as provided by paragraph 1 hereof, and does not release, discharge, compromise, settle, dismiss, resolve, affect, or preclude any other actions, claims, charges against, or proceedings (whether civil or criminal) against him that may be or have been brought by the OTS or any other government agency or entity.

6. Indemnification. JAMES R. LARSON shall neither (i) cause or permit the Savings Bank (or any subsidiary or other affiliate thereof) to incur, directly or indirectly, any Covered Expenses (as defined below), nor (ii) apply to or obtain any indemnification (or other reimbursement) from the Savings Bank (or any subsidiary or other affiliate thereof) with respect to any such Covered Expenses directly or indirectly incurred by him. Any

such payments to cover Covered Expenses received by or on behalf of JAMES R. LARSON shall be returned to the Savings Bank. For purposes of this paragraph, "Covered Expenses" refers to any legal or other professional expenses incurred by JAMES R. LARSON in connection with: (i) the OTS' investigation (No. NE95-6) concerning the Savings Bank; and/or (ii) the negotiation of this settlement concluded by execution of this Stipulation and issuance of the Order.

7. Miscellaneous.

(a) The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America.

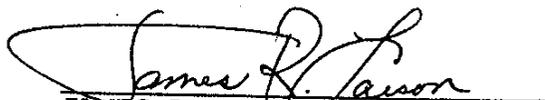
(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS' predecessors, successors, and assigns due to the operation of Federal banking law, including any amendments thereto.

(c) The section and paragraph headings in this Stipulation and the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Order.

(d) The terms of this Stipulation and the Order represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters.

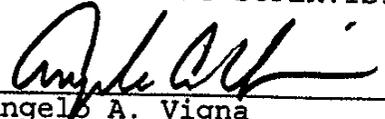
(e) The terms of this Stipulation and of the Order may not be amended or modified except by formal written action of the OTS.

WHEREFORE, on this 22nd day of SEPTEMBER 1995, JAMES R. LARSON executes this Stipulation, intending to be legally bound hereby.


JAMES R. LARSON

Accepted by:

OFFICE OF THRIFT SUPERVISION

By: 
Angelo A. Vigna
Regional Director, Northeast Region

Date: 9/27, 1995

(8.25)

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

In the Matter of)
)
JAMES R. LARSON,) OTS Order No. NE95-11
)
) Dated: September 27, 1995
formerly an officer of)
Savings Bank of the Finger)
Lakes, FSB, Geneva, New York)
)

CONSENT ORDER OF PROHIBITION

WHEREAS, JAMES R. LARSON served as an officer of Savings Bank of the Finger Lakes, F.S.B., Geneva, New York, which is a federally chartered savings association regulated by the Office of Thrift Supervision ("OTS"); and

WHEREAS, JAMES R. LARSON has executed the accompanying Stipulation and Consent to Issuance of Consent Order ("Stipulation"); and

WHEREAS, JAMES R. LARSON, in the Stipulation, has consented and agreed to the OTS' issuance of this CONSENT ORDER OF PROHIBITION ("Order") pursuant to section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e);¹ and

WHEREAS, the undersigned OTS Regional Director has been duly delegated the authority to cause the OTS to issue consent orders.

NOW THEREFORE, IT IS ORDERED that:

1. JAMES R. LARSON is prohibited from participating in any manner in the conduct of the affairs of Savings Bank of the Finger Lakes, F.S.B., Geneva, New York, and any subsidiaries, service corporations or other affiliates thereof, and JAMES R. LARSON

1. All references to the United States Code (U.S.C.) are as amended, except as otherwise specified.

thereby is and shall be subject to the statutory prohibitions provided by section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Due to and without limitation on the operation of 12 U.S.C. §§ 1818(e)(6) and 1818(e)(7), JAMES R. LARSON, 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) (the "Paragraph (7)(A) Institutions"), 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), (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 financial institutions regulatory agency, within the meaning of 12

U.S.C. § 1818(e) (7) (D);

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

(vii) the Resolution Trust Corporation.

(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 Paragraph (7) (A) Institution;

(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.

2. JAMES R. LARSON shall promptly and appropriately respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

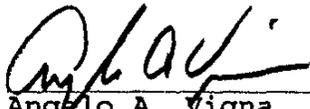
3. Due to issuance of this Order, JAMES R. LARSON is a person "subject to an order in effect under subsection (e)" of FDIA section 8 for purposes of section 8(j) of the FDIA, 12 U.S.C. § 1818(j).

4. The Stipulation is made a part hereof and is incorporated herein by this reference.

5. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. This Order shall remain in effect until it is terminated, modified or suspended, which may occur only by formal written action of the OTS, acting

by and through its Director, Regional Director or other authorized representative.

OFFICE OF THRIFT SUPERVISION

By: 
Angelo A. Vigna
Regional Director, Northeast Region

(8.25)