

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

In the Matter of)
)
THERESA ZANGRILLI,)
)
formerly an employee of)
ALBANK, FSB, Albany, New York)

Re: OTS Order No. NE95-14
Dated: November 20, 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 THERESA ZANGRILLI, 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 August 1995 THERESA ZANGRILLI was an employee in a branch office of ALBANK, FSB, Albany, New York (the "Savings Bank") (OTS docket no. 7860), which is a federally chartered savings association regulated by the OTS; and

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, finds that, during November 1994 through July 1995, THERESA ZANGRILLI enriched herself at the Savings Bank's expense by causing the Savings Bank to make five loans for her own benefit in the name of a Savings Bank customer as nominee, without the knowledge and consent of said customer; and

WHEREAS, in view of the foregoing findings, the OTS is of the opinion that THERESA ZANGRILLI engaged in unsafe or unsound

banking practices that exposed the Savings Bank to undue risk of loss and that provided financial gain or other benefit to THERESA ZANGRILLI, and such unsafe or unsound practices involved personal dishonesty or demonstrated willful or continuing disregard by THERESA ZANGRILLI for the safety or soundness of the Savings Bank; and

WHEREAS, the OTS has informed THERESA ZANGRILLI that the OTS is of the opinion that the grounds exist to initiate an administrative proceeding against her 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, THERESA ZANGRILLI, without admitting or denying that the aforesaid grounds exist or the OTS's findings and opinions expressed above, and due to her 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. THERESA ZANGRILLI, 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 her from all potential administrative claims and charges that have been or might have been asserted by the OTS against her based on any of her acts relating or incident to the five loans she caused the Savings Bank to make for her benefit

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.

during November 1994 through July 1995.²

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) THERESA ZANGRILLI was an employee of the Savings Bank, 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 her execution of this Stipulation.

(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 THERESA ZANGRILLI is subject to the jurisdiction and authority of the OTS to initiate and maintain administrative proceedings against her 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. THERESA ZANGRILLI consents to the issuance by the OTS of the Order, and agrees to comply with the terms of the

2. This settlement concerns five loans made in the name of a Ms. Kavouksorian, which loans were made to appear to be secured by a deposit account at ALBANK (account no. 915012143). The fifth loan was made on July 17, 1995, in the amount of \$50,000.

Order. THERESA ZANGRILLI further stipulates that the Order (including the OTS's 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) THERESA ZANGRILLI voluntarily and knowingly waives: (i) her right, pursuant to 12 U.S.C. § 1818(e) and other federal law, to be served with a written notice of the OTS's charges against her; (ii) her right, pursuant to 12 U.S.C. § 1818(e) and other federal law, to an administrative adjudicatory hearing of the OTS's charges against her; 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) THERESA ZANGRILLI 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) THERESA ZANGRILLI acknowledges and agrees that her consent to the OTS's issuance of the Order is intended solely for purposes of settling and resolving the OTS's administrative claims

against her, 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 her that may be or or have been brought by the OTS or any other government agency or entity.

6. Indemnification. THERESA ZANGRILLI 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 her. Any such payments to cover Covered Expenses received by or on behalf of THERESA ZANGRILLI shall be returned to the Savings Bank. For purposes of this paragraph, "Covered Expenses" refers to any legal or other professional expenses incurred by THERESA ZANGRILLI in connection with: (i) the OTS's inquiry concerning the activities of THERESA ZANGRILLI at 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's 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 8th day of November 1995, THERESA ZANGRILLI executes this Stipulation, intending to be legally bound hereby.

Accepted by:

OFFICE OF THRIFT SUPERVISION

Theresa Zangrilli
THERESA ZANGRILLI

By: *Angelo A. Vigna*
Angelo A. Vigna
Regional Director, Northeast Region

Date: 11-26, 1995

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

In the Matter of)
)
THERESA ZANGRILLI,) OTS Order No. NE95-14
)
) Dated: November 20, 1995
formerly an employee of)
ALBANK, FSB, Albany, New York)
_____)

CONSENT ORDER OF PROHIBITION

WHEREAS, THERESA ZANGRILLI, until August 25, 1995, had been an employee of ALBANK, FSB, Albany, New York, which is a federally chartered savings association regulated by the Office of Thrift Supervision ("OTS"); and

WHEREAS, THERESA ZANGRILLI has executed the accompanying Stipulation and Consent to Issuance of Consent Order ("Stipulation"); and

WHEREAS, THERESA ZANGRILLI, in the Stipulation, has consented and agreed to the OTS's 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. THERESA ZANGRILLI is prohibited from participating in any manner in the conduct of the affairs of ALBANK, FSB, Albany, New York, and any subsidiaries, service corporations or other affiliates thereof, and THERESA ZANGRILLI thereby is and shall be

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

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), THERESA ZANGRILLI, 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. THERESA ZANGRILLI shall promptly and appropriately respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

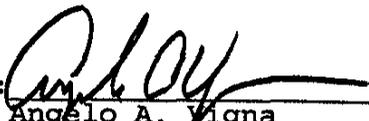
3. Due to issuance of this Order, THERESA ZANGRILLI is a person "subject to an order in effect under subsection (e)" of FDIA section 8 for purposes of section 8(j) of the FDIA, 12 U.S.C. § 1818(j).

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