

UNITED STATES OF AMERICA  
Before the  
OFFICE OF THRIFT SUPERVISION

In the Matter of  
ROBERT D. GILMORE  
A Former Director of  
Doylestown Federal Savings  
and Loan Association,  
Doylestown, Pennsylvania

Re: Order NE94-2  
Dated: January 24, 1994

ORDER OF PROHIBITION

WHEREAS, Robert D. Gilmore has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation") on December 30, 1993, which is accepted and approved by the Director of the Office of Thrift Supervision ("OTS"), acting through the OTS Regional Director for the Northeast Region; and

WHEREAS, Robert D. Gilmore, by his execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition ("Order") by the OTS, pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. Robert D. Gilmore is prohibited from further participation, in any manner, in the conduct of the affairs of Doylestown Federal Savings and Loan Association, Doylestown,

Pennsylvania, or its successor through merger, Third Federal Savings and Loan Association of Philadelphia, Newtown, Pennsylvania, and any holding company, subsidiary, and/or service corporation thereof; and

2. Robert D. Gilmore shall not hold any office in, nor participate in any manner in the conduct of the affairs of, any Federally regulated depository institution or other entities that are described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of OTS (acting through its Director or an authorized representative thereof) and the "appropriate Federal financial institutions regulatory agency" as defined in 12 U.S.C. § 1818(e)(7)(D). Due to the operation of Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6), conduct prohibited by this Order, without the said prior written approval of the OTS and of the "appropriate Federal financial institutions regulatory agency," also includes, without limitation: (1) the soliciting, procuring, transferring, attempting to transfer, voting, or the attempting to vote any proxy, consent or authorization with respect to any voting rights in any institution described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A); and (2) voting for a director, or serving or acting as an institution-affiliated party; and

3. The Stipulation is made a part hereof and is incorporated herein by reference; and

4. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued, as shown in the caption above.

THE OFFICE OF THRIFT SUPERVISION  
By:

/s/

---

Ange~~o~~ A. Vigna  
Regional Director  
Northeast Region

**(7) Industrywide prohibition**

**(A) In general.** Except as provided in subparagraph (B), any person who, pursuant to an order issued under this subsection or subsection (g) of this section, has been removed or suspended from office in an insured depository institution or prohibited from participating in the conduct of the affairs of an insured depository institution may not, while such order is in effect, continue or commence to hold any office in, or participate in any manner in the conduct of the affairs of—

- (i)** any insured depository institution;
- (ii)** any institution treated as an insured bank under subsection (b)(3) or (b)(4) of this section, or as a savings association under subsection (b)(8) of this section;
- (iii)** any insured credit union under the Federal Credit Union Act [12 U.S.C.A. § 1781 et seq.];
- (iv)** any institution chartered under the Farm Credit Act of 1971 [12 U.S.C.A. § 2001 et seq.];
- (v)** any appropriate Federal depository institution regulatory agency;
- (vi)** the Federal Housing Finance Board and any Federal home loan bank; and
- (vii)** the Resolution Trust Corporation.

12 U.S.C. § 1818(e)(7)(A)

UNITED STATES OF AMERICA  
Before the  
OFFICE OF THRIFT SUPERVISION

In the Matter of )  
 )  
ROBERT D. GILMORE )  
 )  
A Former Director of )  
Doylestown Federal Savings )  
and Loan Association, )  
Doylestown, Pennsylvania )

Re: Order NE94-2

Dated: January 24, 1994

STIPULATION AND CONSENT TO  
ENTRY OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Robert D. Gilmore, a former director of Doylestown Federal Savings and Loan Association, Doylestown, Pennsylvania ("Doylestown"), that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceeding against him pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e);<sup>1</sup> and

WHEREAS, Robert D. Gilmore desires to cooperate with the OTS, to avoid the time and expense of such administrative litigation and, without admitting or denying the findings or conclusions contained herein, except those contained in paragraph 1 below, Jurisdiction, and in accordance with Rule 408 of the Federal Rules of Evidence, hereby stipulates and agrees to the following terms:

1. All references to "U.S.C." in this Stipulation and Consent to Entry of an Order of Prohibition and in the Order of Prohibition are to the United States Code, as amended.

1. Jurisdiction.

(a) Doylestown was, and its successor through merger, Third Federal Savings and Loan Association of Philadelphia, Newtown, Pennsylvania ("Third Federal"), 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 of 1933, 12 U.S.C. § 1462(4). Accordingly, at all times relevant hereto, they were "insured depository institutions," as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c); and

(b) Robert D. Gilmore served as a director of Doylestown from 1971 to December 31, 1990. Robert D. Gilmore, as a former director of Doylestown, is deemed to be 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 a capacity within 6 years of the date hereof (see 12 U.S.C. § 1818(i)(3)); and

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the Director of OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association and/or its institution-affiliated parties. Therefore, Robert D. Gilmore is subject to the authority of the Director of OTS (acting through his delegated representative, the Regional Director of the Northeast Region) to initiate and maintain a prohibition proceeding against Robert D. Gilmore, pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e); and

(d) Robert D. Gilmore admits the jurisdiction of the OTS

over him and over the subject matter of this action, pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS finds that:

(a) From 1985 to 1987 Robert D. Gilmore was involved in the acquisition, purchase and finance of a real estate development known as Amburgo Farms. In November 1987, Doylestown approved a \$1,068,750 loan to Countryside Developers, Inc. ("Countryside") to acquire 19 lots in the Amburgo Farms development. Robert D. Gilmore abstained from voting for the loan when it came before the Board of Directors for approval. However, he failed to disclose to the other members of Doylestown's Board of Directors the full extent and nature of his interest in the property securing the loan, although he knew it was improper for Doylestown to finance the purchase by Countryside of property in which he had an interest. Robert D. Gilmore received \$181,881 as a result of the sale of the 19 lots to Countryside. Robert D. Gilmore's actions caused Doylestown to enter into a prohibited loan transaction, in violation of 12 C.F.R. § 563.43(c)(1) (1987) and constituted an unsafe and unsound practice, in violation of 12 C.F.R. § 563.17(1987). Further, Robert D. Gilmore's failure to fully disclose his interest in the transaction constituted a breach of his fiduciary duty to Doylestown and these acts resulted in his personal financial gain; and

(b) On November 2, 1990, during questioning by an OTS Examiner and, subsequently, on January 9, 1991, during his sworn deposition taken by OTS designated representatives, Robert D.

Gilmore made misleading material statements and omitted material facts as to his interest in the Amburgo Farms project, in violation of 12 C.F.R. § 563.180(b)(1)(1990). Robert D. Gilmore, through counsel, subsequently submitted a letter amending his sworn statement and disclosing the extent of his financial interest in the Amburgo Farms project; and

(c) In these matters, Robert D. Gilmore acted for his own personal benefit and contrary to the best interest of Doylestown. Through his actions, Robert D. Gilmore violated regulations, showed a willful and continuing disregard for the safety and soundness of Doylestown, engaged in unsafe and unsound practices and/or engaged in acts, omissions and/or practices that constituted self-dealing and a breach of the fiduciary duties he owed to Doylestown.

3. Consent. Robert D. Gilmore consents to the issuance of the accompanying Order of Prohibition ("Order"). He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all the requirements of law.

4. Finality. The Order is issued by the OTS under the authority of Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director for the Northeast Region, it shall be an effective and outstanding final order, fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. Robert D. Gilmore waives the following:

(a) the right to be served with a written notice of the OTS's intention to prohibit him, which contains a statement of the facts constituting grounds for the action, and to an administrative hearing thereon, as provided by Section 8(e)(4) of the FDIA, 12 U.S.C. § 1818(e)(4); and

(b) the right to seek judicial review of the Order, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

6. Indemnification. Robert D. Gilmore shall neither cause nor permit Doylestown nor Third Federal (or any subsidiary thereof) to incur, directly or indirectly, any expense for any legal (or other professional) expenses incurred relative to the negotiation and issuance of the Order of Prohibition, nor obtain any indemnification (or other reimbursement) from Doylestown nor Third Federal (or any subsidiary thereof) with respect to such amounts. Any such payments received by or on behalf of Robert D. Gilmore in connection with this action shall be returned to Third Federal.

7. Other Government Actions Not Affected. Robert D. Gilmore acknowledges and agrees that the consent to the entry of the Order is for the purpose of resolving this OTS prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any other actions, charges against, or liability of Robert D. Gilmore that arise pursuant to this action or otherwise, and that may be or have been brought by

any government entity.

8. Acknowledgment of Criminal Sanctions. Robert D. Gilmore acknowledges that Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of this Order and that he has received a copy of Section 1818(j).

WHEREFORE, Robert D. Gilmore executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound hereby, and the Regional Director of the Northeast Region (or his designee), on behalf of the OTS, hereby accepts this Stipulation.

By:

Accepted By:  
Office of Thrift Supervision

/s/

Robert D. Gilmore

/s/

Angezo A. Vigna  
REGIONAL DIRECTOR  
Northeast Region

Date: 100 30 1993

Date: 1-20-94