



of the allegations of the OTS or OCC, hereby stipulates and agrees to the following terms in consideration of the termination of the pending administrative litigations by the OTS and OCC against Barbieri, Sr. with respect to the matters covered in the accompanying Order to Cease and Desist, Order of Prohibition, and Order for Restitution ("Order"), which is incorporated herein by reference the same as if fully set forth.

2. Jurisdiction.

(a) Security Savings and Loan Association, Waterbury, Connecticut ("Security") is a "savings association" and an "insured depository institution" as defined by 12 U.S.C. §§ 1462 and 1813.

(b) Enfield National Bank, Enfield, Connecticut ("Enfield"), Liberty National Bank, Danbury, Connecticut ("Liberty"), Harbor National Bank of Connecticut, Branford, Connecticut ("Harbor"), and Summit National Bank, Torrington, Connecticut ("Summit") are "national banking associations" within the meaning of the National Bank Act of 1864, 12 U.S.C. § 1 et seq., and "insured depository institutions" as defined by 12 U.S.C. § 1813.

(c) Barbieri, Sr., for purposes of these proceedings, is an "institution-affiliated party" as defined by 12 U.S.C. § 1813(u).

(d) The OTS is the "appropriate Federal Banking agency" to maintain administrative proceedings against Barbieri,

Sr. pursuant to 12 U.S.C. § 1818(b), (e) and (i) based upon his activities at Security.

(e) The OCC is the "appropriate Federal Banking agency" to maintain administrative proceedings against Barbieri, Sr. pursuant to 12 U.S.C. § 1818(b), (e) and (i) based upon his activities at Enfield, Liberty, Harbor and Summit.

3. Consent. Barbieri, Sr. consents to the issuance by the OTS and OCC of the Order. He further agrees to comply with the terms of the Order upon its issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under 12 U.S.C. § 1818(b) and (e). Upon its issuance, it shall become a final unreviewable order, effective and fully enforceable by either the OTS or OCC, or both, under the provisions of 12 U.S.C. § 1818(i), (e), (j) and (h).

5. Waivers. Barbieri, Sr. waives his right to any administrative hearing provided by 12 U.S.C. § 1818(b), and further waives his right to seek judicial review of the Order, including any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

6. Settled Claims. The OTS and OCC each hereby release Barbieri, Sr. from any and all claims that might be asserted by the OTS or OCC arising from any matter (i) reported in the OTS Reports of Examination of Security for the years 1980 through 1990, (ii) discovered by the OTS as a result of its investigative proceeding commenced pursuant to Resolution BOS-90-7, dated July

5, 1990, which led to the issuance of the Notice of Charges AP 92-62, (iii) reported in the OCC Reports of Examination of Enfield, Liberty, Harbor and Summit for the years 1985 through 1990, and (iv) discovered by the OCC pursuant to its Order of Investigation of Enfield, Liberty, Harbor and Summit dated July 6, 1990.

7. Unsettled Claims. This Stipulation and Consent to Issuance of Cease and Desist Order, Order of Prohibition, and Order of Restitution ("Stipulation"), the Order, and the payment by Barbieri, Sr. of any monies or providing any other financial relief as contemplated by the Order, does not compromise, settle, dismiss, resolve, or in any way affect any civil actions, criminal charges against, or liability of Barbieri, Sr. that arise pursuant to this action or otherwise and that may be or have been brought by the Resolution Trust Corporation, Federal Deposit Insurance Corporation, or any other governmental entity other than the OTS and OCC.

8. Compliance. The OTS and OCC each reserve their right to take any action authorized by law, including at their sole discretion, to impose civil money penalties under 12 U.S.C. § 1818(i) or to void the settlement reached between the agencies and Barbieri, Sr., including this Stipulation and the Order, to reinstate the administrative proceeding against Barbieri, Sr., or to take any other legal action, should Barbieri, Sr. fail to comply with any of the terms of this Stipulation or the Order.

9. Financial Condition.

(a) The decision of the OTS and OCC to enter into this Stipulation has been predicated in part upon representations made by Barbieri, Sr. concerning the nature and value of the assets owned and/or controlled by Barbieri, Sr., his wife and co-respondent Vincentina J. Barbieri, his son and co-respondent Richard D. Barbieri, Jr., and his wife Karen Barbieri, (the "Barbieri Assets"). It is understood that Barbieri, Sr. has made a good faith estimate of the current value of the Barbieri Assets, and Barbieri, Sr. understands that should either the OTS or OCC discover or learn from any source that the representations made by him about the nature and value of the Barbieri Assets were inaccurate, including but not limited to the failure to identify and/or value any material assets, the OTS and OCC each reserve their right to take any action authorized by law, including at their sole option to impose civil money penalties under 12 U.S.C. § 1818(i) or to void the settlement reached between the agencies and Barbieri Sr., including this Stipulation and the Order, and reinstate the administrative proceeding against Barbieri, Sr. or take any other legal action.

(b) The OTS and OCC acknowledge that all financial information submitted by Barbieri, Sr. was prepared by Barbieri, Sr. based upon his knowledge of his investments and assets and was not prepared by an accountant, nor based upon the review of any accountant. Further, there were no appraisals performed on any of the properties. Barbieri, Sr. asserts that all the



UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
Before The  
OFFICE OF THRIFT SUPERVISION, And The  
OFFICE OF THE COMPTROLLER OF THE CURRENCY

IN THE MATTER OF:	)	
	)	
RICHARD D. BARBIERI, SR., ET AL.	)	OTS Docket No.
	)	AP 92-62
	)	
AND	)	Order No. 93-19
	)	
	)	
RICHARD D. BARBIERI, SR.,	)	OCC Docket
FORMER PROFESSIONAL CONSULTANT,	)	Numbers:
	)	
ENFIELD NATIONAL BANK,	)	AA-EC-92-112
ENFIELD, CONNECTICUT,	)	
	)	
LIBERTY NATIONAL BANK,	)	AA-EC-92-113
DANBURY, CONNECTICUT,	)	
	)	
HARBOR NATIONAL BANK OF CONNECTICUT,	)	AA-EC-92-114
BRANFORD, CONNECTICUT, AND	)	
	)	
SUMMIT NATIONAL BANK,	)	AA-EC-92-115
<u>TORRINGTON, CONNECTICUT</u>	)	

ORDER TO CEASE AND DESIST, ORDER OF PROHIBITION,  
AND ORDER FOR RESTITUTION ISSUED PURSUANT TO  
12 U.S.C. § 1818(b) and (e)

WHEREAS, on June 23, 1992, the Office of Thrift Supervision ("OTS") issued a Notice of Charges and Hearing for an Order to Cease and Desist Directing Affirmative Relief Including Restitution, Notice of Intention to Prohibit from Participation in the Conduct of the Affairs of Insured Depository Institutions, and a Notice of Assessment of Civil Money Penalties, against Richard D. Barbieri, Sr. ("Barbieri, Sr.") based upon his

activities at Security Savings and Loan Association, Waterbury, Connecticut ("Security");

WHEREAS, on June 23, 1992, the Office of the Comptroller of the Currency ("OCC") issued a Notice of Charges and Hearing for an Order to Cease and Desist Directing Affirmative Relief including Restitution, and a Notice of Assessment of Civil Money Penalties, against Barbieri, Sr. based upon his activities at Enfield National Bank, Enfield, Connecticut ("Enfield");

WHEREAS, on June 23, 1992, the OCC issued a Notice of Charges and Hearing for an Order to Cease and Desist Directing Affirmative Relief including Restitution, and a Notice of Assessment of Civil Money Penalties, against Barbieri, Sr. based upon his activities at Liberty National Bank, Danbury, Connecticut ("Liberty");

WHEREAS, on June 23, 1992, the OCC issued a Notice of Charges and Hearing for an Order to Cease and Desist Directing Affirmative Relief including Restitution, and a Notice of Assessment of Civil Money Penalties, against Barbieri, Sr. based upon his activities at Harbor National Bank of Connecticut, Branford, Connecticut ("Harbor");

WHEREAS, on June 23, 1992, the OCC issued a Notice of Charges and Hearing for an Order to Cease and Desist Directing Affirmative Relief including Restitution against Barbieri, Sr. based upon his activities at Summit National Bank, Torrington, Connecticut ("Summit");

WHEREAS, Barbieri, Sr. has entered into a Stipulation and Consent to Issuance of a Cease and Desist Order, Order of Prohibition, and Order of Restitution (the "Stipulation") that is accepted and approved by the OTS and OCC, and is incorporated herein by reference the same as if fully set forth;

WHEREAS, Barbieri, Sr., in the Stipulation, without admitting or denying any of the allegations of the OTS or OCC, has consented and agreed to the issuance of this Order to Cease and Desist, Order of Prohibition, and Order of Restitution (the "Order"), and has agreed to be bound by the terms hereof;

NOW, THEREFORE, IT IS ORDERED that:

#### ARTICLE I

(1) With respect to the institutions and agencies set forth in paragraph (2) of this Article, Barbieri, Sr. shall not:

- (a) participate in any manner in the conduct of their affairs;
- (b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights;
- (c) vote for a director, or serve or act as an "institution-affiliated party," as defined in 12 U.S.C. § 1813(u); or
- (d) violate any voting agreement previously approved by the "appropriate Federal banking agency," as defined in 12 U.S.C. § 1813(q).

(2) The prohibitions in paragraph (1) of this Article apply to the following institutions and agencies:

- (a) any insured depository institution, as defined in 12 U.S.C. § 1813(c);
- (b) 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)(8);
- (c) any insured credit union under the Federal Credit Union Act;
- (d) any institution chartered under the Farm Credit Act of 1971;
- (e) any appropriate Federal depository institution regulatory agency;
- (f) the Federal Housing Finance Board and any Federal home loan bank; and
- (g) the Resolution Trust Corporation.

(3) The prohibitions of paragraphs (1) and (2) of this Article shall cease to apply with respect to a particular institution if Respondent obtains the prior written consent of the OTS, the OCC and the institution's "appropriate Federal financial institutions regulatory agency," as defined in 12 U.S.C. § 1818(e)(7)(D).

## ARTICLE II

(1) Barbieri, Sr. shall pay three million one hundred thousand dollars (\$3,100,000) in restitution (the "Restitution

Amount") to the OTS or any person or agency designated by the OTS in accordance with the following formula:

- (a) in any year in which Barbieri, Sr.'s adjusted gross income as reported to the Internal Revenue Service exceeds \$25,000, Barbieri, Sr. shall pay 25% of the gross amount received by Barbieri, Sr. between \$25,000 and \$50,000 and shall pay 35% of the gross amount received over \$50,000 (the "Restitution Payments"). Barbieri, Sr.'s obligation to make the Restitution Payments shall cease on December 31, 2013, or at such time as when the Restitution Amount is fully paid, whichever is sooner.
- (b) The Restitution Payments shall be made to the OTS or its successors or assigns. For purposes of this paragraph any income earned by, and payable to, Barbieri, Sr. but that he agrees or arranges to assign, pledge, give or otherwise transfer to any third party shall be included in the calculation of income under Article II, paragraph (1)(a) -
- (c) The Restitution Payments shall be adjusted annually for inflation as follows. For each year in which Restitution Payments are potentially owing, the base income for the preceding year shall be multiplied by the Consumer Price Index

("C.P.I.") for that year in accordance with the formula  $(\text{Base Income}) \times (1 + \text{C.P.I.})$  to establish the threshold for which Restitution Payments are triggered for that year. The Base Income levels for the initial year are \$25,000 and \$50,000.

- (d) Barbieri, Sr. shall provide to the OTS, or any person designated by it, any financial information requested to verify compliance with this paragraph.
- (2) (a) Barbieri, Sr. shall cause the real estate located on Meriden Road, Waterbury, Connecticut, currently held in the name of Karen Barbieri, a description of which is attached hereto as Exhibit A, to be sold and the proceeds of the sale turned over to the OTS by June 30, 1993. If the real estate is not sold by that date, Barbieri, Sr. shall cause the title to such real estate to be immediately assigned to the RTC. In addition, Barbieri, Sr. shall ensure that the OTS is kept apprised of all negotiations and is given notice of, and an opportunity to disapprove, any and all offers to purchase such real estate.
- (b) Barbieri, Sr. shall cause the note from Kevin S. Donadio and Marlon A. Duren to Karen Barbieri, a copy of which is attached hereto as Exhibit B, to

be assigned to the OTS upon the execution of this document.

- (c) Barbieri, Sr. shall and does hereby assign to the RTC any and all interests in his ESOP and IRA accounts at Security.
- (d) Barbieri, Sr. shall cause the 50 acres of real estate located in Pittstown, New York currently held in the name of Karen Barbieri, a description of which is attached hereto as Exhibit C, to be sold and the first \$75,000 of proceeds of the sale to be turned over to Liberty by June 30, 1993. The remaining proceeds of the sale shall be turned over to the RTC. If all of the real estate is not sold by that date, Barbieri, Sr. shall cause the title to the remaining real estate to be immediately assigned to Liberty or, if prior to that date Liberty indicates that it does not want the assignment, to the RTC. In addition, Barbieri, Sr. shall ensure that the OCC is kept apprised of all negotiations and is given notice of, and an opportunity to disapprove, any and all offers to purchase such real estate.
- (e) Barbieri, Sr. shall cause the note from Francis Wihbey to Richard D. Barbieri, Jr., a copy of which is attached hereto as Exhibit D, to be

assigned to Liberty upon the execution of this document.

- (f) Barbieri, Sr. shall cause the 5,000 shares of stock of Liberty currently held in the name of Vincentina J. Barbieri to be transferred to Liberty upon the execution of this document.
  - (g) Notwithstanding any sum paid by Barbieri, Sr. pursuant to Article II, paragraph (1)(a), Barbieri, Sr. shall make his best efforts to pay the sum of \$5,000 per year on or before December 31, 1993 and each year thereafter until 2002.
- (3) (a) The Restitution Amount owed by Barbieri, Sr. shall be reduced by the amount actually recovered by the OTS or RTC in accordance with the disposition of assets set forth in paragraphs 2(c) and (g). For purposes of this paragraph, the amount actually recovered by the RTC pursuant to paragraph (2)(c) of this Article is \$30,000.
- (b) The amount to be paid in restitution by Richard D. Barbieri, Jr., in accordance with a separate order to cease and desist issued by the OTS, shall be reduced by the amount actually recovered by the OTS and RTC in accordance with the disposition of assets set forth in Article II, paragraphs 2(a), (b) and (d) of this Order, and as further set forth in that separate order.

(c) The amount to be paid in restitution by Vincentina J. Barbieri, in accordance with a separate order to cease and desist issued by the OCC, shall be reduced by the amount actually recovered by the OCC or Liberty in accordance with the disposition of assets set forth in Article II, paragraphs 2(d), (e) and (f), and as further set forth in that separate order.

#### ARTICLE III

(1) Barbieri, Sr. shall fully cooperate with the OTS and OCC by providing complete and truthful information in connection with any pending or future litigation, including administrative litigation, or any pending or future investigation pertaining to or arising out of Security, Enfield, Liberty, Harbor or Summit.

#### ARTICLE IV

(1) Barbieri, Sr. shall execute and cause his family members to execute any and all documents necessary to effect the agreements represented herein, including but not limited to notes, assignments, and deeds.



All that certain piece or parcel of land with the buildings and improvements thereon standing located at 1112 Meriden Road in the City of Waterbury, County of New Haven and State of Connecticut being shown as Lot #9 on Map of "Property of Ernest Dupre, Waterbury, Connecticut, May 1937", Wm. B. Reynolds, Surveyor, Filed September 13, 1937 in the Waterbury Town Clerk's Office in Map Book 13, Page 36 bounded:

NORTHERLY: 68 feet, more or less, on Meriden Road;  
EASTERLY: 138 feet, more or less, on land now or formerly of George W. Benham;  
SOUTHERLY: 40 feet, more or less, on Lot #15 as shown on said map; and  
WESTERLY: 137 feet on Lot #8 as shown on said map.

Being the same premises conveyed to Armand L. Gentile and Janet M. Gentile by Armand L. Gentile in a Quit Claim (Survivorship) Deed dated March 3, 1973 and recorded March 13, 1973 in Volume 1080, Page 4 of the Waterbury Land Records.

EXHIBIT A

4,900.00

September 4, 1992

PROMISSORY NOTE

FOR VALUE RECEIVED, KEVIN S. DONADIO, of Meriden, Connecticut and MARLON A. DUREN, OF Waterbury, Connecticut hereby promise to pay to the order of AREN BARBIERI, of Cheshire, Connecticut, and her heirs, executors administrators, ccessors and assigns the sum of FOUR THOUSAND NINE HUNDRED DOLLARS (4,900.00), with interest at the rate of SEVEN PERCENT (7%) per annum, payable quarterly on the unpaid balance of this Note, together with all taxes assessed on said sum against the holder hereof and together with all costs and attorney's fees incurred in any action to collect this Note. This Note shall become due and payable on January 1, 1996. Said interest shall be payable quarterly installments as follows, viz.:

The sum of EIGHTY FIVE and 75/100 DOLLARS (\$85.75) on the first (1st) day of September, 1992 and the sum of EIGHTY FIVE and 75/100 DOLLARS (\$85.75) every three (3) months thereafter until the balance of this Note has been fully paid. Provided, however, that fault in the payment of any of said quarterly installments for a period of ten (10) business days or any of the same become due and payable shall render the unpaid balance of this Note immediately due and payable, at the option of the holder hereof.

Privilege is given the makers to pay the entire balance of this Note at any time before maturity.

The makers hereby waive demand, notice of demand, notice of dishonor, and protest.

/S/

\_\_\_\_\_  
KEVIN S. DONADIO

/S/

\_\_\_\_\_  
MARLON A. DUREN

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EXHIBIT B

ALL THAT TRACT OR PARCEL of land situated in the Town of Pittstown, County of Rensselaer and State of New York, bounded and described as follows:

BEGINNING at a 1/4" steel rod at the easterly line of Groveside road (County Route 109) located southwesterly 2050 ± feet from the intersection of the southerly line of Long Woods Road and the easterly line of said Groveside Road. Thence through the lands now formerly of Wesley H. Burdick the following five (5) bearings and distances:

- 1) S 75 degrees 45' 02" E 1347.15 feet to a 5/8" steel rod set with a tag (hereinafter called a survey marker)
- 2) S 19 degrees 04' 59" W 115.26 feet along a wire fence and the top of a bank to a point
- 3) S 12 degrees 45' 56" W 137.38 feet along the top of a bank to a point
- 4) S 06 degrees 10' 02" W 206.10 feet along the top of a bank to a survey marker
- 5) S 65 degrees 10' 33" E 440.59 feet crossing a ravine to a survey marker;

THENCE along the westerly line of lands now or formerly of Ronald G. and Joyce P. Seifert (1095/338) the following seven (7) bearings and distances:

- 1) S 48 degrees 22' 48" W 91.61 feet to a point
- 2) S 38 degrees 07' 44" W 137.94 feet to a point
- 3) S 34 degrees 07' 44" W 139.26 feet to a point
- 4) S 36 degrees 07' 44" W 147.84 feet to a point
- 5) S 26 degrees 52' 44" W 150.48 feet to a point
- 6) S 29 degrees 52' 44" W 115.50 feet to a point
- 7) S 26 degrees 37' 44" W 122.76 feet to a survey marker.

THENCE along the northerly line of lands now or formerly of Charles W. and Lois B. Cornell (737/449) the following three (3) bearings and distances:

- 1) N 85 degrees 07' 15" W 373.24 feet to a survey marker at the end of a stone wall
- 2) N 22 degrees 36' 15" E 10.31 feet along said stone wall to a survey marker
- 3) N 85 degrees 02' 47" W 979.91 feet along a wire fence to a survey marker;

EXHIBIT C

THENCE along the easterly side of said Groveside Road the following seven (7) bearings and distances:

- 1) N 07 degrees 10' 03" E 238.69 feet to a point
- 2) N 06 degrees 50' 65" E 384.44 feet to a point
- 3) N 06 degrees 56' 12" E 172.48 feet to a point
- 4) N 06 degrees 37' 06" E 464.11 feet to a point
- 5) N 09 degrees 41' 53" E 136.95 feet to a point
- 6) N 14 degrees 09' 18" E 111.97 feet to a point
- 7) N 15 degrees 39' 35" E 96.05 feet to the point of beginning.

CONTAINING 50.00 acres of land. All distances are level and all bearings are based on magnetic north, 1987.

BEING the same premises conveyed to Westley H Burdick and Valerie Sutton by Leo J. Guerin, Jr. and Deborah D. Guerin by Deed dated February 23, 1988 and recorded in the Rensselaer County Clerk's Office on February 24, 1988 in Liber 1486 of Deeds at Page 155.

REFERENCE is hereby made to and the above description was taken from Warranty Deed dated July 22, 1988; Wesley H. Burdick and Valerie Sutton -to- Richard D. Barbieri, Jr. and recorded in the Rensselaer County Clerk's Office on July 25, 1988 in Liber 1503 of Deeds at Page 003.

PROMISSORY NOTE

45,100.00

JUNE 15 <sup>FRJ</sup>  
~~May~~, 1992

FOR VALUE RECEIVED, the undersigned promises to pay to RICHARD D. BARBIERI, JR. or order, the sum of FORTY FIVE THOUSAND ONE HUNDRED (\$45,100.00) DOLLARS in the following manner:

The sum of TWO THOUSAND (\$2,000.00) DOLLARS upon the date of signing this note and a sum of SIX HUNDRED FIFTY THREE AND 03/100 (\$653.03) DOLLARS on the same date each and every month thereafter, until the entire amount of this Note is fully paid and satisfied, with no interest.

If the undersigned shall fail to make the payment of any installment due hereunder within fifteen days after the same shall have been due, the undersigned shall pay to the Holder hereof at the time of making such late payment, without notice or demand, a late payment fee equal to FOUR (4%) PERCENT of such payment, to help defray the extra expenses incurred by the Holder hereof as a result of such late payment.

Default for a period of fifteen days in any one of the payments, after due, shall, at the option of the Holder hereof and without any notice, render the entire amount of this Note (including late charges), remaining unpaid at the time, immediately due and payable, with costs of collection, including reasonable attorney's fees.

Each and every party to this instrument, either as maker, endorser, or otherwise, hereby waives presentment for payment, notice of dishonor, protest and notice of protest hereof. Every

EXHIBIT D

• party to this instrument also waives any and all defenses on the ground of any extensions or partial payments which may be accepted by the holder hereof before or after default.

/S/

/S/

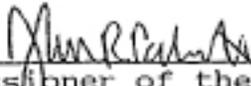
FRANCIS T. WIHBEY

/S/

FS

STATE OF CONNECTICUT )  
COUNTY OF NEW HAVEN ) SS: WATTCOURT FRANCIS T. WIHBEY , 1992

Personally appeared Francis T. Wihbey, signer and sealer of the above instrument who acknowledged the same to be his free act and deed, before me.

  
Commissioner of the Superior Court