

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY

In the Matter of)

RICHARD D. BARBIERI, SR.,)
JOHN A. CORPACI,)
VINAL DUNCAN,)
MARIO ALBINI,)
ANTHONY DIFABIO,)
PAUL KOLOK, and)
RICHARD D. BARBIERI, JR.)

RE: OTS Docket No. AP 92-62
Dated: June 23, 1992

Order No. 93-16

STIPULATION AND CONSENT TO ISSUANCE OF CEASE & DESIST
ORDER, ORDER OF PROHIBITION AND ORDER FOR RESTITUTION

The Office of Thrift Supervision ("OTS"), and John A. Corpaci ("Corpaci") stipulate and agree as follows:

1. Consideration. The OTS has initiated an administrative proceeding against Corpaci pursuant to the Federal Deposit Insurance Act, §§ 8(b) and (e), 12 U.S.C.A. § 1818(b) and (e) (West 1989). Corpaci desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without either admitting or denying that such grounds exist, for the purposes of these proceedings only, hereby stipulates and agrees to the following terms in consideration of the termination by the OTS of the pending administrative litigation against him with respect to the matters covered in the accompanying Cease and Desist Order, Order of Prohibition and Order for Restitution (the "Order") which is incorporated herein by reference and made a part hereof. OTS hereby releases and forever discharges Corpaci

of and from all claims, rights, damages, demands or causes of action which OTS has had, now has, or may have, but only to the extent that such claims, rights, damages, demands or causes of action arise from, or are based upon, matters (i) reported in the OTS Reports of Examination of Security Savings and Loan Association of Waterbury, Connecticut ("Security") for the years 1980 through 1991 or (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; provided, however, that nothing in this Stipulation shall be a release or discharge by OTS of claims, if any, OTS has or may have against any person or entity other than Corpaci.

2. Jurisdiction.

(a) Security is a "savings association" and an "insured depository institution" as defined by 12 U.S.C.A. §§ 1462 and 1813 (West 1989).

(b) Corpaci, for the purpose of this proceeding, is an institution-affiliated party as defined by 12 U.S.C.A. §§ 1813(u) (West 1989).

(c) The Director of the OTS is the "appropriate Federal Banking agency" to maintain administrative proceedings against pursuant to 12 U.S.C.A. §§ 1818(b)(e) (West 1989).

3. Consent. Corpaci consents to the issuance by the OTS of the Order. Corpaci further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under 12 U.S.C.A. §§ 1818(b) and (e) (West 1989). Upon its issuance, it shall be a final, unappealable order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C.A. § 1818(i) (West 1989).

5. Waivers. Corpaci waives an administrative hearing provided by 12 U.S.C.A. § 1818(b) (West 1989), and further waives his right to seek judicial review of the Order, including any such right provided by 12 U.S.C.A. § 1818(h) (West 1989) or otherwise to challenge the validity of the Order.

6. OTS' decision to enter into this Stipulation and the Order has been predicated in part upon financial representations made by Corpaci in statements submitted by him dated July 31, 1992 and January 14, 1993 (the "Corpaci Statements"). OTS acknowledges that all financial information submitted by Corpaci was prepared by Corpaci 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 listed in the financial information submitted. Corpaci asserts that all information supplied by him to OTS was done in good faith and based upon his best knowledge, information, and belief. It is understood that Corpaci has made a good faith estimate of the current values listed in the Corpaci Statements, and Corpaci understands that should OTS discover or learn from any source that the representations made by him in or concerning the Corpaci Statements were wrong, including but not limited to the failure to identify and/or value any material asset, OTS reserves the right to take any action authorized by law, including at its sole

option to impose civil money penalties under 12 U.S.C. § 1818(i), to void the settlement reached between OTS and Corpaci, including this Stipulation and the Order, and reinstate the administrative proceeding against Corpaci or take any other legal action.

7. Corpaci hereby consents and agrees that the obligation to pay the Restitution Amount is not dischargeable in bankruptcy, and further agrees that he shall not seek to have the obligation discharged in any bankruptcy proceeding.

8. Corpaci acknowledges that OTS in its sole discretion shall make public and use for any purpose, consistent with applicable law, the (i) Order, (ii) this Stipulation, and/or (iii) any other document relating to the Order or this Stipulation.

9. This Stipulation and Consent to Issuance of Cease and Desist Order, Order of Prohibition and Order of Restitution, the Order and the payment by Corpaci of any monies or providing any other financial relief as contemplated by the Order, does not release, discharge, compromise, settle, dismiss or resolve, or in any way affect any civil actions, charges against, or liability of Corpaci that arise pursuant to this action or otherwise and that may be or have been brought by the Resolution Trust Corporation or any other governmental entity other than the OTS.

or denying any of the allegations of OTS, has consented and agreed to the issuance of this Cease & Desist Order, Order of Prohibition and Order of Restitution (the "Order") under the FDIA and has agreed to be bound by the terms hereof;

NOW, THEREFORE, IT IS ORDERED that:

1. Corpaci is hereby permanently prohibited from holding any office in, or any further participation, in any manner, in the conduct of the affairs of any insured depository institution pursuant to 12 U.S.C. §1818(e).

2. Corpaci is hereby ordered to pay \$1,600,000 in restitution (the "Restitution Amount") to the OTS in accordance with the following formula:

(a) Corpaci shall pay to the OTS the sum of \$350,000 upon execution of the Stipulation.

(b) Corpaci shall pay to OTS the remaining balance of the Restitution Amount, (i.e., \$1,250,000) in accordance with the following formula:

In any year in which Corpaci's adjusted gross income as reported to the Internal Revenue Service exceeds \$25,000, Corpaci shall pay 25% of the adjusted gross income between \$25,000 and \$50,000 and shall pay 35% of the adjusted gross income over \$50,000 (the "Restitution Payments"). The Restitution Payments shall be made to the OTS, or the successors or assigns thereof. For purposes of this paragraph, any income earned by, and payable to, Corpaci but that he agrees or arranges to assign, pledge or give

or otherwise transfer to any third party shall be included in the calculation of income. Corpaci's obligation to make the Restitution Payments shall cease on December 31, 2013, or at such time as the Restitution Amount has been paid in full, whichever is sooner.

- (c) Corpaci shall further provide to OTS or any person designated by the agency any financial information requested by the agency or designated persons to verify compliance with this paragraph.

3. Corpaci shall cooperate fully with OTS 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 Savings and Loan Association of Waterbury, Connecticut ("Security").

4. The entry of this Order is for the purpose of resolving only those matters (i) reported in the OTS Reports of Examination of Security for the years 1980 through 1991 or (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, subject to paragraph 9 of the Stipulation.

5. Corpaci shall execute any and all documents necessary to effect the agreements represented herein.

6. OTS in its sole discretion shall make public and use for any purpose, consistent with applicable law, the (i) Order,

and/or (ii) Stipulation.

7. OTS reserves the right to take any action authorized by law, including at its sole discretion, to impose civil money penalties under 12 U.S.C. §1818(i), to void the settlement reached between it and Corpaci, including the Stipulation and this Order, to reinstate the administrative proceeding against Corpaci, or to take any other legal action, should Corpaci fail to comply with any of the terms of this Order.

8. This Order shall be effective from the date of its execution.

Date: 3/2/93

/S/

Jonathan Fiechter
Acting Director