



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 Kolok.

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) Kolok, 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. Kolok consents to the issuance by the OTS of the Order. Kolok 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. Kolok 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 Kolok in a statement submitted by him dated February 25, 1993 (the "Financial Statement"). OTS acknowledges that all financial information submitted by Kolok was prepared by Kolok and was not prepared by an accountant, nor based upon the review of any accountant. Kolok 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 Kolok has made a good faith estimate of the current values listed in the Financial Statement, and Kolok understands that should OTS discover or learn from any source that the representations made by him in or concerning the Financial Statement 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 Kolok, including this Stipulation and the

Order, and reinstate the administrative proceeding against Kolok or take any other legal action.

7. Kolok 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. This Stipulation and Consent to Issuance of Cease and Desist Order, Order of Prohibition and Order of Restitution, the Order and the payment by Kolok 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 Kolok 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.

9. The terms of this Stipulation, together with the terms of the Order, represent the final agreement of the parties with respect to the subject matters hereof, and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into the terms of this Stipulation and the Order, which together constitute the sole agreement of the parties with respect to such subject matters. The terms of this Stipulation and the Order may not be amended or waived except by a written document executed by Paul Kolok and the OTS, by and through its Director or an appropriate Regional



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 Order No. AP 93-52

CEASE AND DESIST ORDER, ORDER OF  
PROHIBITION AND ORDER OF RESTITUTION

WHEREAS, the Office of Thrift Supervision ("OTS") has issued a Notice of Charges against Respondent Paul Kolok ("Kolok") pursuant to the Federal Deposit Insurance Act, 12 U.S.C. §1818 (the "FDIA"), charging him with violations of laws and regulations governing the operation of savings associations, and has initiated administrative proceedings against Kolok seeking, among other relief, an order of restitution under 12 U.S.C. §1818(b)(6), and an order of prohibition under 12 U.S.C. §1818(e);

WHEREAS, Kolok has entered into a Stipulation and Consent to Issuance of a Cease & Desist Order, Order of Prohibition And Order of Restitution (the "Stipulation") that is accepted and approved by OTS and is incorporated herein by reference; and

WHEREAS, Kolok, in the Stipulation, without admitting 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. Kolok 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. Kolok is hereby ordered to pay \$350,000 in restitution (the "Restitution Amount") to the OTS in accordance with the following formula:

(a) Kolok shall pay to OTS the Restitution Amount in accordance with the following formula: In any year in which Kolok's adjusted gross income as reported to the Internal Revenue Service exceeds \$40,000, Kolok shall pay 25% of the adjusted gross income between \$40,000 and \$65,000 and shall pay 35% of the adjusted gross income over \$65,000 (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, Kolok 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. Kolok'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.

- (b) Kolok 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. Kolok 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 8 of the Stipulation.

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

6. 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 Kolok, including the Stipulation and this Order, to reinstate the administrative proceeding against Kolok, or to take any other legal action, should Kolok fail to comply with any of the terms of this Order.

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

Date: June 28, 1993

/S/

Jonathan Fiechter  
Acting Director