

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
Chatham Savings and Loan)
Association)

Chatham, New Jersey)
_____)

Re: Northeast Regional Director
Resolution NO. NE92-17

Dated: February 26, 1992

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Northeast Regional Office, OTS, and Chatham Savings and Loan Association, Chatham, New Jersey (the "Association") stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against the Association pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(b). The Association desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease-and-desist litigation against the Association with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) The Association is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act, as amended by FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Pursuant to Section 3 of the FDIA, the Director of OTS is the "appropriate federal banking agency" to maintain an enforcement proceeding against such a savings association. Therefore, the Association is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against it pursuant to Section 8(b) of the FDIA, 12 U.S.C. § 1818(b).

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In the Matter of)
Chatham Savings and) Re: Northeast Regional Director
Loan Association) Resolution No: NE92-17

and its Directors, Officers,)
Employees, and Affiliates) Dated: February 26, 1992

ORDER TO CEASE AND DESIST

WHEREAS, Chatham Savings and Loan Association (the "Association") is an association "requiring more than normal supervision" pursuant to Office of Thrift Supervision ("OTS") Regulatory Bulletin 3a-1 ("RB 3a-1"); and

WHEREAS, the Association through its board of directors (the "Board") and each individual member of its Board (each "Director") have executed a Stipulation and Consent to Issuance of Order to Cease and Desist, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the OTS, acting through its Regional Director for the Northeast Regional Office as of the date described in Section 7 hereof ("Effective Date"); and

WHEREAS, the Association and the Directors in the Stipulation have consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act, as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (12 U.S.C. § 1818(b)).

NOW THEREFORE, IT IS ORDERED that Association and its Directors, officers, employees, and agents shall cease and desist from any violation of, or the aiding and abetting of any violation of:

IT IS FURTHER ORDERED that:

1. Growth Restrictions

a. Restrictions. As of the Effective Date, the Association shall observe the restrictions applicable to associations "requiring more than normal supervision" set forth in RB 3a-1. In particular, the Association shall not increase its total assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during such quarter, without the prior written approval of the Regional Director.

b. Board Monitoring and Compliance with Limitations. As of the Effective Date, the Board shall review the asset growth of the Association every month and document its review in the minutes of the Board. Within 30 days of the Effective Date, the Board must formulate procedures by which the Association will manage and monitor its asset growth in order to ensure that the Association conducts its asset growth in a safe and sound manner consistent with RB 3a-1. The Board shall ensure that the Association provides the OTS with immediate written notification of any asset growth that is inconsistent with RB 3a-1, which notification shall include a detailed explanation of the nature and cause of the inconsistency.

2. Asset Growth Plan

Within 30 days of the Effective Date, the Board and the management of the Association shall develop a written plan that outlines the goals and objectives for asset growth of the Association during 1992. The plan must demonstrate asset growth that is consistent with asset growth provided for in RB 3a-1 and this Order.

3. Board Review of Compliance with this Order

a. Prompt Action. The Board shall take prompt action to cause the Association to comply with this Order.

b. Compliance Resolution. Each month, the Board shall adopt a formal resolution (the "Compliance Resolution") resolving that, following a diligent inquiry of relevant information (including reports of management), to the best of its knowledge and belief, during the immediately preceding calendar month, the Association has complied with each provision of this Order currently in effect (including without limitation with respect to whether the Association has conducted its asset growth consistent with RB 3a-1), except as otherwise stated. The Compliance

Resolution shall: (i) specify in detail how, if at all, full compliance was found not to exist; and (ii) identify all notices of exemption or other exceptions issued by the Regional Director that were outstanding as of the date of the Compliance Resolution. No later than three business days after each monthly meeting of the Board, the Association shall provide to the Regional Director a certified true copy of the Compliance Resolution. The Board, by virtue of the Association's submission of a certified true copy of each such Compliance Resolution to the Regional Director, shall be deemed to have certified to the accuracy of the statements set forth in each Compliance Resolution.

c. Minutes. The minutes of the monthly meeting of the Board (including meetings of any committees thereof) shall set forth the following information with respect to the adoption of each Compliance Resolution: (i) the identity of each Director voting in favor of its adoption, (ii) the identity of each Director voting in opposition to its adoption, (iii) the identity of each Director abstaining from voting thereon and (iv) a notation with respect to any disagreement one or more Directors has with the representations set forth in a Compliance Resolution.

MISCELLANEOUS PROVISIONS

4. Incorporation of Stipulation

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

5. Definitions

a. General. All technical words or terms used in the Order, for which meanings are not specified or otherwise provided by the provisions of this Order, shall, insofar as applicable, have meanings as defined in the regulations, policy statements, or bulletins issued by the OTS and any such technical words or terms used in this Order and undefined in said regulations, policy statements, or bulletins shall have meanings that accord with the best custom and usage in the savings and loan or banking industries, as applicable. For purposes of this Order, references to regulations, policy statements, bulletins, memoranda and publications shall include any successor regulations, policy statements, bulletins, memoranda and publications.

b. Regional Director. "Regional Director" or his successor is the "senior supervisory official" within the meaning of Section 723(d) of the FIRREA, 101 Stat. 183, 428 (1989). All references to the Regional Director shall include the Regional Director and/or his designee(s).

6. Effective Date of Order

The Order is effective and enforceable immediately upon the date of its issuance by the OTS ("Effective Date"), which date is set forth herein.

IT IS SO ORDERED on this 26th day of February, 1992.

THE OFFICE OF THRIFT SUPERVISION
By:

/S/

Angelo A. Vigna,
Regional Director, Northeast Region