

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of

STEVENSON H. WALTEN, JR.
A Shareholder Participating in
the Conduct of the Affairs of

VERMONT FEDERAL BANK, FSB
Williston, Vermont

Re: Resolution No. NE92-037
Dated: April 2, 1992

STIPULATION AND CONSENT TO
ISSUANCE OF ORDER OF PROHIBITION

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Northeast Regional Office, and Stevenson H. Waltien, Jr., a shareholder participating in the affairs of Vermont Federal Bank, F.S.B., Williston, Vermont ("Vermont Federal"), hereby stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate an administrative prohibition proceeding against Stevenson H. Waltien, Jr. pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. 1818(e), based upon conduct which occurred after he ceased to be an officer, director or employee of Vermont Federal. Mr. Waltien, without admitting or denying any violation of any law or regulation, desires to cooperate with the OTS solely to avoid the time and expense of such administrative litigation and, therefore, hereby stipulates and agrees to the following terms in consideration of the forbearance of OTS from initiating such administrative prohibition litigation against him.

2. Jurisdiction.

(a) Vermont Federal is a "savings association" as defined in Section 3(b)(1) of the FDIA, 12 U.S.C. § 1813(b)(1) and Section 2(4) of the Home Owners' Loan Act of 1933, 12 U.S.C. 1462(4) ("HOLA"), and a "Federal savings association" as defined in Section 2(5) of the HOLA, 12 U.S.C. §1462 (5) and Section 3(b)(2) of the FDIA, 12 U.S.C. § 1813(b)(2). 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) Mr. Waltien, as a shareholder participating in the conduct of the affairs of Vermont Federal, is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. 1813(u).

(c) Pursuant to Section 3(q)(4) of the FDIA, 12 U.S.C. 1818(q)(4), the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association or its institution-affiliated parties. Therefore, Mr. Waltien is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. 1818(e).

3. Consent. Mr. Waltien consents to the issuance by the OTS 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 requirements of law.

4. Finality. The Order is issued under Section 8(e) of the FDIA, 12 U.S.C. 1818(e). Upon its issuance, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. 1818(i).

5. Waivers. Mr. Waltien waives his right to a notice of intention to prohibit and the administrative hearing provided by Section 8(e) of the FDIA, 12 U.S.C. 1818(e), and further waives his right to seek judicial review of the Order, including 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.

WHEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Regional Director for the Northeast Regional Office, on behalf of the OTS, and Stevenson H. Waltien, Jr. executive this Stipulation and Consent to Issuance of Order of Prohibition.

OFFICE OF THRIFT SUPERVISION

By:

/S/

Angelo A. Vigna
Regional Director
Northeast Regional Office

/S/

Stevenson H. Waltien, Jr.

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ORDER OF PROHIBITION

WHEREAS, Stevenson H. Waltien, Jr. has executed a Stipulation and Consent to Issuance of Order of Prohibition ("Stipulation"), which is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the Northeast Regional Office; and

WHEREAS, Mr. Waltien, in the Stipulation, without admitting or denying any violation of any law or regulation, has consented and agreed to the issuance of this Order of Prohibition ("Order") pursuant to Section 8(e) of the Federal Deposit Insurance Act 12 U.S.C. 1818(e) ("FDIA"), as to conduct as a shareholder which occurred after he ceased to be an officer, director or employee of Vermont Federal Bank, FSB, Williston, Vermont ("Vermont Federal"), its holding company or service corporations;

NOW THEREFORE, IT IS ORDERED that:

1. Stevenson H. Waltien, Jr. is prohibited from further participation, in any manner, in the conduct of the affairs of Vermont Federal, its holding company, or service corporations.

2. Without prior written consent of the Regional Director for the OTS Northeast Region, and, if appropriate, another Federal financial institutions regulatory agency, Stevenson H. Waltien, Jr., for a period of five years commencing May 11, 1990, may not hold any office in, or participate in any manner in the conduct of the affairs of any institution(s) or other entity as set forth in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. 1818(e)(7)(A); provided, that within such period, Mr. Waltien shall have the right to apply to the OTS or its successor, based upon good conduct and compliance with this Order, for written consent to become an institution-affiliated party of an institution described in the application and written consent, which consent shall not unreasonably be withheld. Pursuant to Section 8(e)(6) of the FDIA, 12 U.S.C. 18(e)(6), conduct prohibited by this Order includes, inter alia, the solicitation, transfer or exercise of any voting rights with respect to any securities issued by any insured depository institution.

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

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.

THE OFFICE OF THRIFT SUPERVISION

By: _____ /S/
Angelo A. Vigna
Regional Director
Northeast Regional Office