

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY

In The Matter of

ROBERT J. MUELLER

Resolution No. NE92-52

Former Director and President,
Carteret Savings Bank,
Morristown, N.J.

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director, and Robert J. Mueller, Respondent, 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 Respondent pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, ("FIRREA"), 12 U.S.C. §1818(b). Respondent desires 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 Respondent with respect to the matters covered in the accompanying Order to Cease and Desist and Direction To Make Restitution and To Take Other Affirmative Action. ("Order").

2. Jurisdiction.

(a) Respondent is an institution affiliated party within the meaning of Section 3 of the FDIA, as amended 12 U.S.C. §1813.

(b) Pursuant to Section 3 of the FDIA, as amended, 12 U.S.C. §1813, the Director of OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such a savings association. Therefore, Respondent 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, as amended, 12 U.S.C. §1818(b).

3. Consent. Respondent consents to the issuance by the OTS of the Order. He 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 Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. §1818(b). Upon its issuance by the Regional Director, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA, 12 U.S.C. §1818(i).

5. Waivers. Respondent waives his right to a Notice of Charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. §1818(b), and further waives any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, as amended by FIRREA, 12 U.S.C. §1818(h), or otherwise to challenge the validity of the Order.

Except as may be necessary to redress a breach by Respondent of the accompanying Order or this Stipulation, the OTS waives its right to initiate administrative cease and desist proceedings or judicial proceedings and its right to pursue administrative, legal or equitable remedies against Respondent, pursuant to any statute, law or regulation, including but not limited to Section 8 of the FDIA, as amended by FIRREA, 12 U.S.C. §1818, with respect to the approval of the amendments to the employment agreement as referred to in the accompanying Order.

6. Cooperation. Respondent agrees to cooperate with the OTS in its continuing investigation of the captioned association by making himself reasonably available to OTS for interview and testimony and by testifying when called upon in a truthful manner.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Regional Director, and Respondent execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

/S/

Robert J. Mueller
Respondent

/S/

Angelo Vigna
Regional Director,
Northeast Region
Office of Thrift Supervision

Dated: 5/20/92

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY

In the Matter of

ROBERT J. MUELLER

Resolution No. NE92-52

Former Director and President,
Carteret Savings Bank,
Morristown, N.J.

ORDER TO CEASE AND DESIST AND
DIRECTION TO MAKE RESTITUTION AND TO TAKE
OTHER AFFIRMATIVE ACTION

WHEREAS, after investigation, the Office of Thrift Supervision ("OTS"), is of the opinion that violations of regulation or law and/or breaches of fiduciary duty in the conduct of the business of an insured depository institution have occurred consisting of (i) the failure of particular senior executive officers/inside directors of the association, including Respondent, to make a complete, timely and quantified disclosure to the association's Board of Directors of the expected and potential beneficial financial effect to those officers of amendments to their respective employment agreements which were being presented to the association's Board for approval, and (ii) the participation by said officers, including Respondent, in the Board vote approving the

beneficial employment agreement amendments; and

WHEREAS, Robert J. Mueller, the Respondent, without admitting or denying the substance of the OTS's opinion, has knowingly, voluntarily and after consultation with counsel of his choice, agreed to the entry of this Order and to abide by the terms thereof, which consent is set forth in the Stipulation and Consent to Issuance of Order to Cease and Desist, of even date herewith;

NOW THEREFORE, it is ORDERED that:

1. Respondent shall cease and desist from participating in, and shall not in the future participate in, any vote of the Board of Directors of any insured depository institution where the issue is his compensation by any such institution.

2. Respondent shall, when serving in a fiduciary capacity to any insured depository institution, make or cause to be made a complete, timely and quantified disclosure of the expected and potential financial benefit resulting from any employment agreement, or change, amendment or modification thereto, or resulting from any other compensation arrangement, in connection with his employment by any insured depository institution which disclosure shall be made to (i) all fiduciaries who participate in the recommendation or approval, at any level, of Respondent's employment or compensation by said institution and (ii) all consultants or agents upon whom such fiduciaries are known by Respondent to rely.

3. Respondent shall pay, within ten (10) days of the entry of this Order, restitution in the amount of \$310,000.00

