

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

IN THE MATTER OF

JOHN E. SARNO

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:
: No. *WE 92-74*
:
: *7/24/92*
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**STIPULATION AND CONSENT TO ISSUANCE OF
CEASE & DESIST ORDER, ORDER OF PROHIBITION
AND ORDER FOR RESTITUTION**

The Office of Thrift Supervision ("OTS"), and John E. Sarno ("Sarno") 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 proceeding against Sarno pursuant to the Federal Deposit Insurance Act, §§ 8(b) and (e), 12 U.S.C.A. § 1818(b) and (e) (West 1989). Sarno 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, hereby stipulates and consents to the issuance of the accompanying Cease and Desist Order, Order of Prohibition and Order for Restitution, attached hereto as Exhibit A (the "Order") in consideration for OTS hereby forever remising, releasing and discharging Sarno of and from all debts, obligations, liabilities, reckonings, bonds, specialities, controversies, suits, actions, causes of action, claims or demands with respect

to any matter (i) reported in the OTS Reports of Examination of Winter Hill Federal Savings Bank, formerly known as Winter Hill Federal Savings and Loan Association for the years 1987 up to that Report of Examination concluded on April 2, 1991, or (ii) discovered, or that could have reasonably been discovered, by the OTS as a result of its investigative proceeding commenced pursuant to Resolution BOS 90-11, dated August 17, 1990.

2. Jurisdiction.

(a) Winter Hill Federal Savings and Loan Association is a "savings association" and an "insured depository institution" as defined by 12 U.S.C.A. §§ 1462 and 1813 (West 1989).

(b) Sarno 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 Sarno pursuant to 12 U.S.C.A. §§ 1818(b)(e) (West 1989).

3. Consent. Sarno, without admitting or denying any violation of law or regulation, 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 12 U.S.C.A. §§ 1818(b) and (e) (West 1989). Upon its issuance, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C.A. § 1818(i) (West 1989).

5. Waivers. Sarno waives an administrative hearing

2. Sarno is hereby ordered to pay \$25,000 to Winter Hill Federal Savings Bank, formerly known as Winter Hill Federal Savings and Loan Association ("Winter Hill") within five business days of receipt of either written or oral notification on counsel for Sarno by OTS that the Stipulation and Order have been executed by the Regional Director. Such payment shall be made in the form of cash, money order or bank check.

3. Sarno acknowledges and agrees that his consent to the entry of this Order is for the purposes of resolving only those matters (i) reported in the OTS Reports of Examination of Winter Hill for the years 1987 up to that Report of Examination concluded on April 2, 1991, or (ii) discovered, or could have reasonably been discovered, by the OTS as a result of its investigative proceeding commenced pursuant to Resolution BOS 90-11, dated August 17, 1990.

4. All technical words or phrases used in this Order, for which meanings are not otherwise specified or otherwise provided by the provisions of this Order, shall insofar as applicable, have the meanings set forth in one or more of the following laws and regulations: the Home Owners' Loan Act, as amended by FIRREA; the FDIA, as amended by FIRREA; and the regulations of the OTS, as codified in the Code of Federal Regulations, Title 12, Chapter V (or currently published in the Federal Register). Any technical words or phrases not subject to definition in the foregoing laws and regulations shall have meanings that accord with the best custom and usage in the savings association industry.

5. This Order shall be and is effective and enforceable upon service on counsel for Sarno.

IT IS SO ORDERED on this 24th day of July, 1992.

OFFICE OF THRIFT SUPERVISION

By:

/S/

Angelo Vigna
Regional Director
Northeast Region