

**UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION**

In the Matter of)
)
JENNIFER DERR,)
)
A Former Employee of)
)
SOVEREIGN BANK,)
Wyomissing, Pennsylvania)
(OTS No. 04410))
)

Re: Order No. NE-06-12

Dated: September 18, 2006

**STIPULATION AND CONSENT TO
ISSUANCE OF AN ORDER OF PROHIBITION**

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Jennifer Derr (DERR"), formerly an employee of Sovereign Bank, Wyomissing, Pennsylvania (the "Bank," OTS No. 04410), that the OTS is of the opinion that grounds exist to initiate administrative prohibition proceedings against DERR pursuant to provisions of Section 8(e) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1818(e),¹ and

WHEREAS, DERR desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings; and

WHEREAS, DERR, while admitting that the OTS has jurisdiction with respect to this matter (as addressed in Paragraph 1 below), neither admits nor denies (i) that the above-mentioned grounds exist, or (ii) the OTS Findings of Fact (in Paragraph 2 below), and, is of the understanding that this settlement is subject to Rule 408 of the Federal Rules of Evidence.

NOW, THEREFORE, JENNIFER DERR hereby stipulates and agrees to the following:

1. Jurisdiction.

(a) Sovereign Bank is, and at all times relevant hereto has been, a "savings association" within the meaning of 12 U.S.C. §§ 1462(4) and 1813(b). Accordingly, Sovereign Bank is and has been an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

¹ All references to the United States Code in this Stipulation and in the related Order are to the United States Code as amended.

(b) DERR, having been an employee of the Bank at all times relevant hereto, is an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to initiate and maintain administrative enforcement proceedings against institution-affiliated parties of savings associations pursuant to 12 U.S.C. § 1818.

(d) DERR, having been an employee of the Bank within six years of the date hereof, is subject to the authority of the OTS to initiate and maintain administrative prohibition proceedings against her, pursuant to 12 U.S.C. § 1818(e). See 12 U.S.C. § 1818(i)(3).

2. OTS Findings of Fact.

DERR had been employed as a teller in a Pennsylvania branch of Sovereign Bank during 2005 and until February 2006. The OTS finds that, on several occasions during 2005 and early 2006, DERR engaged in violations of law and unsafe or unsound practices by misusing her access to the Bank's electronic systems to make unauthorized withdrawals aggregating no less than \$19,500 from one or more customer deposit accounts. By reason of the violations and unsafe practices, DERR caused a financial loss or other damage to the Bank, prejudiced the interests of the Bank's depositors, and received financial gain or other benefit. Such violations and practices also involve personal dishonesty on the part of DERR and/or demonstrate willful or continuing disregard for the safety or soundness of the Bank.

3. Consent.

DERR consents to the issuance by the OTS of the accompanying Order of Prohibition (the "Order"). DERR further agrees to comply with the terms of the Order upon its issuance and stipulates that the Order complies with all requirements of law.

4. Finality.

The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(e), and upon its issuance by the OTS (acting through its Regional Director) the Order shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers.

DERR waives the following:

- (i) The right to be served with a written notice of the OTS' charges against her;
- (ii) The right to an administrative hearing of the OTS' charges against her;
- (iii) The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

- (iv) Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under federal statutes (e.g., the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412), under common law, or otherwise.

6. Indemnification.

DERR shall neither cause nor permit the Bank (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order. DERR also shall not obtain any indemnification (or other reimbursement) from the Bank (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of DERR in connection with this action shall be returned to the Bank (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

DERR acknowledges and agrees that her consent to the issuance of the Order is for the purpose of resolving any and all administrative actions or other causes of action that the OTS has or may have against DERR relating to her acts and omissions while an employee of Sovereign Bank during 2005 and 2006, and neither this Stipulation nor the Order release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of DERR that arise relative to her service at Sovereign Bank or otherwise, and that may be or have been brought by any other government entity other than the OTS.

8. Miscellaneous.

(a) The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America.

(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

(c) The section and paragraph headings in this Stipulation and in the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Order.

(d) The terms of this Stipulation and of the Order represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters.

(e) Except as otherwise expressly provided in this Stipulation, this Stipulation shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

WHEREFORE, JENNIFER DERR executes this Stipulation, intending to be legally bound hereby.

Accepted by:
OFFICE OF THRIFT SUPERVISION

s/ Jennifer Derr

s/ Robert C. Albanese

JENNIFER DERR

By: _____
ROBERT C. ALBANESE
Regional Director, Northeast Region

Date: _____ Sept. 11 _____, 2006

ACKNOWLEDGMENT

STATE OF Pennsylvania)
)
COUNTY OF Delaware)

On this 11th day of September, 2006, before me, the undersigned Notary Public, personally appeared JENNIFER DERR, who acknowledged her execution of the foregoing document, which is entitled as a "STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF PROHIBITION."

WHEREFORE, I hereby set my hand and seal.

s/ Deborah J. Bottino

Name:
Notary Public

My commission expires: 5/16/2010

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In the Matter of)	
JENNIFER DERR,)	Order No. NE-06-12
A Former Employee of)	Dated: September 18, 2006
SOVEREIGN BANK,)	
Wyomissing, Pennsylvania)	
(OTS No. 04410))	

ORDER OF PROHIBITION

WHEREAS, JENNIFER DERR (“DERR”) has executed the accompanying Stipulation and Consent to the Issuance of an Order of Prohibition (“Stipulation”); and

WHEREAS, DERR, by her execution of the Stipulation has consented and agreed to the issuance of this Order of Prohibition (“Order”) by the Office of Thrift Supervision (“OTS”), pursuant to Section 8(e) of the Federal Deposit Insurance Act (“FDI Act”), 12 U.S.C. § 1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. Prohibition.

(a) **DERR** is prohibited from further participation, in any manner, in the conduct of the affairs of Sovereign Bank (OTS No. 04410), which is based in Wyomissing, Pennsylvania.

(b) **DERR,** except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other “appropriate Federal financial institutions regulatory agency,” for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

- i. Any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- ii. Any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;
- iii. Any insured credit union under the Federal Credit Union Act (12 U.S.C. § 1781 et seq.);

- iv. Any institution chartered under the Farm Credit Act of 1971 (12 U.S.C. § 2001 et seq.);
 - v. Any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(A)(v); and
 - vi. The Federal Housing Finance Board and any Federal Home Loan Bank.
- (c) **DERR**, in view of 12 U.S.C. § 1818(e)(6), also shall not –
- i. Solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution identified in 12 U.S.C. § 1818(e)(7)(A) (and also identified in Paragraph 1(a) above);
 - ii. Violate any voting agreement previously approved by the “appropriate Federal banking agency” (within the meaning of 12 U.S.C. § 1813(q)); or
 - iii. Vote for a director, or, except as otherwise provided by Paragraph 1(a) hereof, serve or act as an “institution-affiliated party”, as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

2. This Order is subject to and hereby provides notice of the provisions of Section 8(j) of the FDI Act, 12 U.S.C. § 1818(j).

3. **DERR** shall promptly respond to any request from the OTS for documents or information that the OTS reasonably requests to demonstrate compliance with this Order.

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

5. This Order is and shall become effective on the date it is issued, which date is shown in the caption hereof. The Stipulation and this Order shall remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

OFFICE OF THRIFT SUPERVISION

s/ Robert C. Albanese

By: _____
Robert C. Albanese