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UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
United Savings Bank, S.L.A.)
Paterson, New Jersey, and its)
majority-owned Subsidiaries)
and Service Corporations)

Re: New York District Director
Resolution No. NY-90-9

Dated: May 14, 1990

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its District Director for the New York District Office, OTS, and United Savings Bank, S.L.A. and its majority-owned Subsidiaries and Service Corporations ("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"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (to be codified at 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) United Savings Bank, S.L.A. 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, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(c)).

(b) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the Director of OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such a sav-

ings 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, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)).

3. Consent. The Association consents to the issuance by the OTS of the Order. It 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 (to be codified at 12 U.S.C. § 1818(b)). Upon its issuance by the District Director for the New York District Office, OTS, 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 (to be codified at 12 U.S.C. § 1818(i)).

5. Waivers. The Association waives its right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 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 (to be codified at 12 U.S.C. § 1818(h)), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its District Director for the New York District Office, OTS, and the Association by a majority of its directors, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

United Savings Bank, S.L.A.
by a majority of its
directors

By: 181
Angelo A. Vigna
District Director
New York District Office

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Re: New York District Director
Resolution No. NY-90-9

Dated: May 14, 1990

ORDER TO CEASE AND DESIST

WHEREAS, United Savings Bank, S.L.A. and its majority-owned Subsidiaries and Service Corporations, ("Association") through the directors of United Savings Bank, S.L.A., has 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 Office of Thrift Supervision ("OTS"), acting through its District Director for the New York District Office; and

WHEREAS, the Association, in the Stipulation, has 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") (to be codified at 12 U.S.C. § 1818(b)).

NOW THEREFORE, IT IS ORDERED THAT

1. The 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 Section 563.161 of the OTS Regulations, 54 Fed. Reg. 49411, 49584 (1989), (to be codified at 12 C.F.R. § 563.161) and Section 563.170(c) of the OTS Regulations, 54 Fed. Reg. 49411, 49584 & 49585 (1989) (to be codified at 12 C.F.R. § 563.170).

2. The Association shall immediately take affirmative action to establish an internal mechanism to inquire into possible unauthorized compensation and/or benefits conferred by the Association to former President Donald J. Moskowitz and former Comptroller Ronald Rudd, or others at their direction. The internal inquirer shall, among other things, probe all bonus payments, use of credit cards and use of automobiles by Mr. Moskowitz and Mr. Rudd. If evidence of unauthorized compensation and/or benefits is uncovered, the Association shall retain counsel and seek restitution from the appropriate parties.

3. For a period of 30 days, in the interest of maintaining the status quo while a determination is being made as to whether Mr. Moskowitz has received unauthorized compensation and/or benefits, the Association shall cease and desist from paying out any funds from any account in the name of former President Donald J. Moskowitz or from any account in which he has a legal or beneficial interest; unless, in the case of any account held by Mr. Moskowitz as joint owner, (1) the Association obtains evidence that funds were deposited into any such account by the joint owner other than Mr. Moskowitz, and (2) the Association obtains the prior written consent of the District Director or his designee to release any funds deposited into the account (with appropriate interest) by the joint owner other than Mr. Moskowitz. The District Director or his designee may extend the 30 day period if he determines that the examination of and/or internal inquirer into possible unauthorized compensation and/or benefits (including, but not limited to bonus payments, credit card expenditures and automobile expenditures) conferred by the Association to Mr. Moskowitz or others at Mr. Moskowitz's direction is not complete.

4. For a period of 30 days, in the interest of maintaining the status quo while a determination is being made as to whether Mr. Rudd has received unauthorized compensation and/or benefits, the Association shall cease and desist from paying out any funds from any account in the name of former Comptroller Ronald Rudd or from any account in which he has a legal or beneficial interest; unless, in the case of any account held by Mr. Rudd as joint owner, (1) the Association obtains evidence that funds were deposited into any such account by the joint owner other than Rudd and (2) the Association obtains the prior written consent of the District Director or his designee to release any funds deposited into the account (with appropriate interest) by the joint owner other than Mr. Rudd. The District Director or his designee may extend the 30 day period if he determines that the examination of and/or internal inquirer into possible unauthorized compensation and/or benefits (including, but not limited to bonus payments, credit card expenditures and automobile expenditures) conferred by the Association to Mr. Rudd or others at Mr. Rudd's direction is not complete.

OFFICE OF THRIFT SUPERVISION

By: *151*

Angelo A. Vigna
District Director
New York District Office