

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

In the Matter of)

George S. Bennett, Jr.,)

An institution-affiliated)
party of Plymouth Federal)
Savings Bank, Plymouth,)
Massachusetts, and)
Daniel Webster Mortgage)
Company, Inc.)

Re: OTS No. JC-91-19
dated September 27, 1991

ORDER PURSUANT TO STIPULATION

The Office of Thrift Supervision ("OTS"), a bureau within the United States Department of the Treasury, hereby issues this Order Pursuant to Stipulation ("Order"), pursuant to subsections (e) and (i)(2) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. §§ 1818(e), (i)(2) (West 1989 & Supp. 1991).

WHEREAS, George S. Bennett, Jr. ("Bennett") has executed the attached Stipulation, which is accepted and approved by the OTS; and

WHEREAS, Bennett, in the Stipulation has consented and agreed to the issuance of this Order by the OTS.

NOW THEREFORE, IT IS ORDERED that:

1. Bennett, pursuant to Section 8(e) of the FDIA, is prohibited from further participation, in any manner, in the con-

duct of the affairs of Daniel Webster Mortgage Company, Inc. ("Daniel Webster"), Plymouth Federal Savings Bank ("Plymouth Federal"), Plymouth, Massachusetts, and any of their subsidiaries or other affiliates.

2. Without the prior written approval of the OTS (and, if appropriate, another Federal financial institutions regulatory agency), Bennett may not hold any office in, become an institution-affiliated party of, or participate in any manner in the conduct of the affairs of, any of the depository institutions (including subsidiaries thereof) or other entities identified at Section 8(e)(7)(A) of the FDIA, 12 U.S.C.A. § 1818(e)(7)(A) (West 1989). Pursuant to Section 8(e)(6) of the FDIA, 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. Bennett, pursuant to Section 8(i)(2) of the FDIA, shall pay a civil money penalty in the amount of Ten Thousand Dollars (\$10,000) by tendering one or more checks (or money orders) to the OTS made payable to the order of the Treasurer of the United States, in the manner provided by the Stipulation.

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

5. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C.A. § 1818(j) (West 1989), and the requirements

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STIPULATION

This Stipulation is made by and between the Office of Thrift Supervision ("OTS"), a bureau within the United States Department of the Treasury, and George S. Bennett, Jr. ("Bennett"), ²⁰¹~~171~~ Elden Street, Unit 220, Herndon, Virginia. Bennett is an institution-affiliated party of Daniel Webster Mortgage Company, Inc. ("Daniel Webster"), a second-tier subsidiary of Plymouth Federal Savings Bank ("Plymouth Federal"), Plymouth, Massachusetts. This Stipulation concerns the issuance by the OTS of the attached Order Pursuant to Stipulation ("Order"), which the OTS issues to Bennett. In consideration of the mutual undertakings set forth below and other good and valuable consideration the parties hereto hereby stipulate and agree as follows:

1. Consideration. The OTS has reviewed, inter alia, the Verified Complaint dated June 19, 1991 ("Verified Complaint") filed

with the Superior Court Department of the Trial Court of Massachusetts in the civil action captioned: Daniel Webster Mortgage Company, Inc, et al. v. George S. Bennett, Jr., et al., Civ. No. 90-1034A. The Verified Complaint concerns certain alleged activities of Bennett at Daniel Webster. The OTS has conducted an investigation regarding, inter alia, the activities alleged in the Verified Complaint. The OTS, based on information obtained by it, is of the opinion that grounds exist to initiate an administrative adjudicatory proceeding and assess civil money penalties against Bennett pursuant to subsections (e) and (i)(2) of Section 8 of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. §§ 1818(e), (i)(2) (West 1989 & Supp. 1991). Bennett desires to cooperate with the OTS and to avoid the time and expense of such administrative adjudication, and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the terms and conditions of this Stipulation.

2. Jurisdiction. The OTS has jurisdiction (1) to issue a notice of its charges (with a notice of assessment of civil money penalties); and (2) to issue the Order to Bennett, pursuant to subsections (e) and (i)(2) of Section 8 of the FDIA. This authorization is based upon, inter alia, the following:

(a) The OTS is the appropriate Federal banking agency to maintain administrative enforcement proceedings against savings associations, subsidiaries of savings associations, and institution-affiliated parties of savings associations and their

subsidiaries, pursuant to provisions of the FDIA, as amended. See, e.g., 12 U.S.C.A. §§ 1813(u), 1818(b)(8), (e) (West 1989).

(b) Plymouth Federal is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act, each as amended. Plymouth Federal also is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended, 12 U.S.C.A. § 1813(c) (West 1989). Daniel Webster, at all relevant times, was a second-tier subsidiary of Plymouth Federal. Daniel Webster and its institution-affiliated parties are and have been subject to the enforcement authority of the OTS, as provided by Section 8(b)(8) of the FDIA, 12 U.S.C.A. § 1818(b)(8) (West 1989).

(c) Bennett, until May 4, 1990, was an officer, director, and stockholder of Daniel Webster. By virtue of the positions Bennett held, Bennett is and has been an "institution-affiliated party" of that second-tier subsidiary of Plymouth Federal. See 12 U.S.C.A. § 1813(u), 1818(i)(3) (West 1989).

3. Consent. Bennett hereby consents to the issuance by the OTS of the Order. Bennett further agrees to comply with the terms of the Order upon issuance, and he stipulates that the Order complies with all requirements of law.

4. Forbearance.

(a) In consideration of Bennett's consent to the issuance of the Order, the OTS agrees to forbear from commencing adjudicatory enforcement proceedings against Bennett, pursuant to Section 8 of

a payment when due, and fails to cure such deficiency by the tenth (10th) day of the month when such payment was due, then the entire outstanding amount of the unpaid civil money penalty assessment shall become immediately due and payable.

(b) Bennett shall make payment of the civil money penalty assessment by tendering one or more checks (or money orders) made payable to the order of the Treasurer of the United States. Each check shall identify the OTS Order Number set forth in the caption hereof, and shall be sent to the OTS's Regional Deputy Director in Boston, Massachusetts (the "Regional Deputy Director") or his designee or successor.

(c) Until Bennett shall have completely satisfied his obligation to pay the civil money penalties provided under the Order, Bennett shall submit to the OTS's Regional Deputy Director (or his designee or successor) the following:

- (1) On a quarterly basis, a detailed statement of financial condition, as of the last day of the fiscal quarter (each March 31, June 30, September 30, and December 31) that sets forth the value (both historical cost and estimated market value) of all assets, liabilities, and net worth in which Bennett and/or his spouse has an interest. Bennett shall attach to each such financial statement a certification signed by him (under pains and penalty of perjury) that the information in the attached statement of financial condition is true and accurate. Bennett shall submit each quarterly financial statement no later than the first day of the second calendar month next following the close of the calendar quarter, i.e., no later than each May 1, August 1, November 1, and February 1; and
- (2) On an annual basis, by no later than each May 1st, a true and accurate copy of the federal income tax return (with all forms, schedules, and attachments) filed by Bennett during said calendar year.

If Bennett fails to comply with the reporting requirements of this paragraph and fails to cure such non-compliance within ten (10) days after OTS's issuance and delivery to Bennett of a written notice of non-compliance, the OTS may declare the entire amount of any unpaid civil money penalty assessment under the Order to be immediately due and payable.

6. No Affect on Actions by Other Agencies. The OTS is of the view that the amount of the civil money penalty assessed in the Order is reasonably related to the Treasury Department's expenses with respect to its investigation and preparation for administrative adjudication of its proposed charges against Bennett. Bennett acknowledges and agrees with the foregoing view of the OTS. Bennett consents to the entry of the final assessment of civil money penalties set forth in the Order for the purposes of resolving only the proposed OTS administrative proceeding relating to the matters set forth in the Verified Complaint. Bennett further acknowledges and agrees that the issuance of the Order (including its civil money penalty provisions) does not resolve, affect or preclude any other administrative, civil, or criminal proceeding which may be brought against Bennett by any other department, agency, or office of the United States Government. Bennett further acknowledges and agrees that the assessment and/or payment of civil money penalties under the Order does not provide a basis for a claim of double jeopardy in any future proceeding brought by any other department, agency, or office of the United

States Government.

7. Finality. The OTS is issuing the Order pursuant to subsections (e) and (i)(2) of the FDIA, 12 U.S.C.A. §§ 1818(e), (i)(2) (West 1989 & Supp. 1991). Upon its issuance by the OTS, the Order shall be a final order that is effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C.A. § 1818(i) (West 1989 & Supp. 1991).

8. Waivers. Bennett, following consultation with his counsel, waives the following legal rights:

- (1) the right to be served with a written notice of the OTS's charges against him (referred to as a Notice of Intention to Prohibit)(see, e.g., 12 U.S.C.A. §§ 1818(e), (i)(2) (West 1989 & Supp. 1991));
- (2) the right to an administrative hearing of the OTS's charges against him (see, e.g., 12 U.S.C.A. §§ 1818(e), (i)(2) (West 1989 & Supp. 1991); and
- (3) the right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C.A. § 1818(h) (West 1989), or otherwise to challenge the validity of the Order.

9. Communications.

(a) Bennett shall send any and all payments, reports, notices, or other communications required or permitted under the

