

## SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 21 day of June, 1993 (the "Effective Date"), by and between Douglas C. Duess ("Duess"), a former vice president of Spencer Savings Bank, SLA ("Association"), Garfield, New Jersey, and the Office of Thrift Supervision ("OTS"), an office within the Department of the Treasury, a department in the Executive Branch of the United States Government, having its principal executive offices located at 1700 G Street, N.W., Washington, D.C.

WHEREAS, the Association is a "savings association" within the meaning of Section 3 of the Federal Deposit Insurance Act ("FDIA") and Section 2 of the Home Owners' Loan Act of 1933 ("HOLA"), each as amended, and accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. §1813(c); and

WHEREAS, Duess, as a former vice president of the Association and having served in such capacity within 6 years of the date hereof, is an "institution-affiliated party", Sections 3(u) and 8(i)(3) of the FDIA, 12 U.S.C. §§1813(u) and 1818(i)(3); and

WHEREAS, pursuant to Section 3 of the FDIA, as amended, the OTS is the "appropriate Federal banking agency" to maintain an enforcement action or proceeding against such the Association and/or its institution-affiliated parties and therefore, Duess is subject to the authority of the OTS to initiate and maintain a proceeding against him pursuant to Section 8 of the FDIA, 12 U.S.C. §1818; and

WHEREAS, the OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate administrative proceedings against Duess pursuant to Section 8 of the FDIA, 12 U.S.C. §1818; and

WHEREAS, Duess desires to cooperate with the OTS to avoid the time and expense of administrative litigation and, without admitting or denying that grounds exist to initiate administrative proceedings against him pursuant to Section 8 of the FDIA, 12 U.S.C. §1818, hereby stipulates and agrees to the terms of the within Agreement, and to comply therewith; and

WHEREAS, OTS and Duess agree to the following terms:

1. Douglas C. Duess, for a period of four years from the Effective Date, without the prior written approval of the OTS (acting through its Director or an authorized representative thereof), shall not participate directly or indirectly, in the conduct of the affairs of any Federally regulated depository institution or any holding company, subsidiary, or service corporation thereof or of the other entities that are enumerated or described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. §1818(e)(7)(A) or any holding company, subsidiary, or service corporation thereof (hereinafter referred to singly or collectively as "Banking Entity") as follows:

(a) serving or acting as a director or officer of any Banking Entity; and

(b) serving or being employed by any Banking Entity in connection with the mortgage origination, appraisal, lending, or underwriting functions, processes, or departments of said Banking Entity.

Duess acknowledges that the exercise by the OTS of its authority to deny any approval sought by him or on his behalf regarding this Agreement or its subject matter shall be plenary and final and not subject to judicial challenge, review or modification.

2. Duess shall cooperate in any examination, inquiry, investigation, or enforcement proceeding conducted by any Federal banking agency by providing information, documents, and testimony if, and as, requested to do so by any such Federal banking agency.

3. Duess acknowledges and agrees that his participation in this Agreement does not resolve, compromise, settle, dismiss, or in any way affect or preclude any other civil or criminal proceeding, or his liability with respect thereto, which may be brought against him by any other governmental entity or the Resolution Trust Corporation.

4. Duess consents and agrees that OTS shall be permitted to make available to the Federal Home Loan Bank of New York, upon written request therefor, any and all information relating to or regarding this matter.

5. Duess, from the effective date of this Agreement, upon the request of the OTS, shall provide promptly to the OTS such testimony under oath and documents as OTS may require to demonstrate compliance with this Agreement.

6. that this Agreement is a "written agreement" entered into with the OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. §1818.

NOW THEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the OTS (acting by and through the undersigned) and Douglas C. Duess execute this Agreement as of the date written above.

OFFICE OF THRIFT SUPERVISION

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Douglas C. Duess

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THERESA E. GUGLIOTTI  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES APRIL 26, 1997  
6-21-93