

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

In the Matter of)
)
ROBERT LIBBY,)
)
A Former Employee of)
)
HUDSON CITY SAVINGS BANK,)
Paramus, New Jersey (OTS No. 17969))
)

Re: Order No. NE-07-10

Dated: August 22, 2007

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 Robert Libby ("LIBBY"), formerly an employee of Hudson City Savings Bank, Paramus, New Jersey (the "Bank"), that the OTS is of the opinion that grounds exist to initiate administrative prohibition proceedings against LIBBY pursuant to Section 8(e) of the Federal Deposit Insurance Act (the "FDI Act"), 12 U.S.C. § 1818(e),¹ and

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

WHEREAS, LIBBY, 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, LIBBY hereby stipulates and agrees to the following:

1. Jurisdiction.

(a) Hudson City Savings 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, the Bank is and has been an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

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

¹ All references in this Stipulation and Consent to Issuance of an Order of Prohibition ("Stipulation") and in the related Order of Prohibition are to the United States Code as amended.

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

(d) LIBBY, 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 proceedings against him pursuant to Section 8(e) of the FDI Act. See 12 U.S.C. § 1818(i)(3).

2. OTS Findings of Fact.

These OTS findings concern LIBBY's actions in early 2006, when he was an Assistant Manager of the Bank's branch in West Long Branch, New Jersey. In early 2006, LIBBY misappropriated approximately \$770,600 from customer deposit accounts in violation of law. By reason of such unlawful misconduct, LIBBY received financial gain and/or the Bank suffered financial loss or other damage. In addition, the unlawful misconduct by LIBBY involves personal dishonest on the part of such party and/or demonstrates willful or continuing disregard by LIBBY for the safety or soundness of the Bank.

3. Consent.

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

4. Finality.

The Order of Prohibition is issued by the OTS under the authority of 12 U.S.C. § 1818(e). Upon issuance of the Order by the OTS (acting through its Regional Director for the Northeast Region), 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.

LIBBY waives the following:

- (i) The right to be served with a written notice of the OTS's charges against him;
- (ii) The right to an administrative hearing of the OTS's charges against him;
- (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.

LIBBY 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 and this Stipulation. LIBBY 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 LIBBY 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.

LIBBY acknowledges and agrees that his consent to the issuance of the Order is only for the purpose of resolving the administrative prohibition action that the OTS claims pursuant to 12 U.S.C. § 1818(e) based on the OTS Findings of Fact (at Paragraph 2 hereof). Neither this Stipulation nor the Order release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of LIBBY that arise relative to LIBBY's actions at the Bank or otherwise, and that may be or have been brought by any government entity other than the OTS.

8. Miscellaneous.

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

(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) The Stipulation and the 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.

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ROBERT LIBBY,)	Order No. NE-07-10
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A Former Employee of)	Dated: August 22, 2007
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HUDSON CITY SAVINGS BANK,)	
Paramus, New Jersey (OTS No. 17969))	

ORDER OF PROHIBITION

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

WHEREAS, LIBBY, by his 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) LIBBY is prohibited from further participation, in any manner, in the conduct of the affairs of Hudson City Savings Bank, Paramus, New Jersey (OTS No. 17969).

(b) LIBBY, 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) **LIBBY**, 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 C.F.R. § 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. The Stipulation is made a part hereof and is incorporated herein by this reference.

4. 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/ Michael L. Simone

By: _____
Michael L. Simone
Acting Regional Director, Northeast Region