

96380

UNITED STATES OF AMERICA  
Before the  
OFFICE OF THRIFT SUPERVISION

In the Matter of	)	
	)	
<b>DWELLING HOUSE SAVINGS</b>	)	Order No. NE 08-05
<b>AND LOAN ASSOCIATION,</b>	)	
Pittsburgh, Pennsylvania	)	Effective Date: June 30, 2008
OTS Docket No. 07178	)	

**ORDER TO CEASE AND DESIST**

WHEREAS, **DWELLING HOUSE SAVINGS AND LOAN ASSOCIATION**, Pittsburgh, Pennsylvania, OTS Docket No. 07178 (“Association”) has executed a Stipulation and Consent to Issuance of an Order to Cease and Desist (“Stipulation”); and

WHEREAS, the Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (“Order”) pursuant to 12 U.S.C. § 1818(b);<sup>1</sup> and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Northeast Region (Regional Director) is authorized to issue consent Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

1. Compliance With Laws and Regulations.

The Association and its directors, officers, employees, and agents shall cease and desist from any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling or the aiding and abetting of any violation of:

(a) The Currency and Foreign Transactions Reporting Act, as amended by the USA Patriot Act and other laws (the “Bank Secrecy Act” or “BSA”), 31 U.S.C. §§ 5311 *et seq.*, and the regulations issued thereunder by the U. S. Department of the Treasury, 31 C.F.R. §§ 103.11 *et seq.*, and the related BSA regulations issued by the OTS, 12 C.F.R. § 563.177 (collectively with the aforementioned laws and regulations, the “BSA Laws and Regulations”), including but not limited to:

- i. 31 C.F.R. § 103.22 (reports of transactions in currency);
- ii. 31 C.F.R. §§ 103.18 and 12 C.F.R. § 563.180(d) (reports of suspicious activities, SARs);
- iii. 31 C.F.R. § 103.27 (filing of reports, including timing);
- iv. 31 C.F.R. § 103.29 (purchases of money orders, etc.);

<sup>1</sup> This Order supersedes OTS Order to Cease and Desist No. NE 06-05.

- v. 31 C.F.R. § 103.100 (FinCEN inquiries and record-keeping about institution compliance with obligations); and
- vi. 12 C.F.R. § 563.177 (effective anti-money laundering program required, including requirements for internal controls, training, and effective independent reviews);

(b) The Equal Credit Opportunity Act regulations at 12 C.F.R. Part 202, including but not limited to, 12 C.F.R. §§ 202.13 and 202.13(b);

(c) The Real Estate Settlement Procedures Act regulations at 24 C.F.R. Part 3500, including but not limited to, 24 C.F.R. § 3500.21(b)(1);

(d) The Truth in Lending Act regulations at 12 C.F.R. Part 226, including but not limited to, 12 C.F.R. § 226.19(a); and

(e) The provisions of the Fair and Accurate Credit Reporting Act, 15 U.S.C. §§ 1681g, including but not limited to, 15 U.S.C. § 1681g(1)(A)(ii).

## 2. Effective Anti-Money Laundering/BSA Compliance Program Required.

(a) Effectively immediately, the Association shall implement and adhere to its written BSA Compliance Program.

(b) The Association's Board shall monitor and update the BSA Compliance Program on an ongoing basis as necessary to adjust to: (i) changes in the Association's operations that may impact on its compliance with the BSA and regulations thereunder and (ii) changes to the BSA Laws and Regulations (as well as related forms). There is a continuing requirement for the BSA Compliance Program to be reasonably designed to assure and monitor the Association's compliance with the requirements of the BSA Laws and Regulations. Any necessary amendments to the BSA Compliance Program shall be in writing and shall: (i) be approved by the Association's Board of Directors (Board), (ii) be reflected in the minutes of the meeting at which such approval occurs, and (iii) be submitted to the OTS.

## 3. Customer Identification Program.

(a) Effectively immediately, the Association shall implement and adhere to its Customer Identification Program.

(b) The Association's Board shall monitor and shall assure the Association's implementation and adherence to the Customer Identification Program in a manner that conforms to all regulatory requirements.

4. BSA Training.

(a) The Association shall continue to implement and adhere to its Board-adopted written BSA Training Program. The BSA Training Program must continue to provide a comprehensive training program, on an ongoing basis, for all appropriate operational and supervisory personnel (including but not limited to the Association's BSA Officer as well as staff involved in accepting funds and opening accounts) to ensure their awareness of their responsibility for compliance with the requirements of: (i) the BSA Laws and Regulations, (ii) the OFAC Regulations, and (iii) the SAR Regulations. Among other things, the BSA Training Program must provide for the Association's current BSA Officer to be provided with professional training, on no less than a quarterly basis. The goal of the BSA training for the BSA Officer is for the BSA Officer to be able to competently implement the Association's BSA Compliance Program on a day-to-day basis.

(b) The Association's Board shall monitor and shall assure the Association's implementation and adherence to the BSA Training Program in a manner that conforms to all regulatory requirements.

5. Restrictions on High-Risk Deposit Accounts.

(a) Effective immediately, the Association shall not permit the establishment of any new High-Risk Deposit Accounts at the Association. For purposes of this Order, a "High-Risk Deposit Account" is any deposit account of the type identified in the OTS' supervisory directive letter dated January 22, 2008, as such accounts present heightened BSA/AML risks.

(b) Effective immediately, the Association must not allow any deposit of more than \$25.00 to be made (by check, wire transfer or ACH) into any existing High-Risk Deposit Account, except, following a documented and signed good cause determination by an Association senior officer. Effective immediately and on a monthly basis, the Association's senior management must submit to the Association's Board a report ("High Risk Deposit Report") about all deposits of more than \$25.00, since those reported in the preceding High Risk Deposit Report. At a minimum each such High Risk Deposit Report shall include: (i) a written summary of pertinent information (*e.g.*, accounts affected, amounts deposited, and dates of deposit) about the deposits of more than \$25.00, and (ii) copies of the good-cause documentation relating to each such deposit.

(c) Effective immediately and on an ongoing basis, within 90 days of the Association's detection of suspicious activity (as defined below) relative to one or more existing High-Risk Deposit Accounts, the Association must close in an orderly and safe and sound manner<sup>2</sup> such specified High-Risk Deposit Accounts, except that, on a case-by-case basis, and for documented good cause, the Association's Board may, by duly adopted resolutions, specifically authorize the retention of one or more specified accounts. Any such Board resolutions shall be submitted to the OTS within 10 calendar days of such adoption. For purposes of this Order, the term "suspicious activity" means any activity that is reportable under the requirements of 12 C.F.R. § 563.180(d).

6. Report on Look-Back Review about Suspicious Activity.

(a) Within thirty (30) days following the Effective Date of this Order, the Association shall submit to the Regional Director, for review and comment, a written report about the look-back review that the Association has conducted, in response to prior regulatory guidance, to identify possible suspicious activity with respect to High-Risk Deposit Accounts (the "Look-Back Review Report"). At a minimum, such report must: (i) describe the nature and methodology of the look-back review, (ii) summarize the findings of such review, and (ii) detail the actions taken by the Association in view of such findings.

(b) Immediately following the Association's receipt of written comments by the Regional Director on the Look-Back Review Report, the Association shall conduct such further suspicious-activity-related review and take such further actions, within designated timeframes, as may be specified by the Regional Director in writing.

7. OFAC Compliance Plan.

The Association shall continue to implement its written OFAC Compliance Plan. There is a continuing requirement for the OFAC Compliance Plan to be reasonably designed to ensure that: (i) the Association complies with the regulations of the U.S. Department of the Treasury's Office of Foreign Asset Control, 31 C.F.R. Part 500, as well as any guidance issued or administered by OFAC.

8. Compliance Program Management, Staffing and Resources.

(a) Effective immediately, the Association shall implement and adhere to its Board-adopted written Compliance Management Program.

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<sup>2</sup> Among other things, the Association should ensure that it closes the accounts in a manner that comports with the terms and conditions associated with the deposit accounts.

(b) There is a continuing requirement for the Association's Compliance Management Program to be managed and implemented by the Association's Compliance Officer. Additionally, there is a continuing requirement for the Compliance Officer: (i) to be, at all times, a full-time Association officer or employee designated by the Board (in duly adopted and recorded board meeting minutes), and (ii) be qualified and trained to perform the day-to-day responsibilities of a banking institution compliance officer.

(c) The Association's Compliance Officer shall continue to be responsible for developing, overseeing and managing the Association's Compliance Management Program. On no less than a quarterly basis, the Compliance Officer also shall report to the Board on activities and developments relative to the Compliance Management Program. On no less than a semi-annual basis, the Compliance Officer shall report to the Board on whether any amendments or enhancements to the Compliance Management Program should be adopted and implemented to further the Association's adherence to the compliance laws and regulations, in view of any change in circumstances (including any changes in laws, regulations, regulatory guidance, or industry best practices) and the Association's experience in implementing the Compliance Management Program. The above-required reporting to the Board shall be documented in the minutes of such Board meetings.

(d) The Association's Board shall continue to ensure that the Compliance Officer has sufficient authority, competency, time, staff (which may include outsourced staff) and resources to perform his/her compliance management responsibilities on a day-to-day basis. The Association's Board and executive management also shall assure that such person is provided adequate resources (included budgeted funds) and ongoing training (at least two times per calendar year in addition to any required BSA training) in order to perform his/her compliance officer duties effectively.

9. Management.

(a) By no later than November 30, 2008, and in compliance with the requirements of section 12(a) of this Order, the Association shall hire and thereafter retain a qualified individual, who has demonstrated the ability to effectively manage a savings association in a safe and sound manner and in compliance with applicable laws and regulations, to serve as the Association's President and Chief Executive Officer.

(b) Within fifteen (15) days of the Effective Date of this Order, the Association's Board shall establish a Board committee ("Management Review Committee"), consisting solely of Current Outside Directors (as defined below). By no later than September 30, 2008, the Management Review Committee shall prepare and submit to the full Board a written report ("Executive Evaluation Report") evaluating the performance of the Association's Senior Executive Officers (as defined below) who were employed by the Association during the 2007 examination and continue to be employed by the Association. To assist in the preparation of the Executive Evaluation Report, the Outside Directors may utilize the services of a third party consultant acceptable to the Regional Director. At a minimum, such Executive Evaluation Report must include:

- i. An evaluation of each such Senior Executive Officer's knowledge, skills, abilities and a determination of whether each of these individuals possesses the experience and other qualifications required to perform present and anticipated duties of the position;
- ii. An assessment of each such Senior Executive Officers': (A) involvement in and responsibility for the practices criticized in the Report of Examination and (B) ability and commitment to effectively address the deficiencies disclosed in the ROE and to operate the Savings Association in a safe and sound manner in compliance with all applicable laws and regulations and of the Savings Association's Senior Executive; and
- iii. Recommended changes to the Senior Executive Officer composition and/or assigned duties.

(c) By no later than December 15, 2008, and based on the Executive Evaluation Report, the Board together with the new President (and with the assistance of any qualified consultant(s), acceptable to the OTS, engaged by the Association), shall develop and submit to the Regional Director a written Management Plan, for review, comment, and non-objection by the Regional Director. At a minimum, the Management Plan shall:

- i. Require that each retained Senior Executive Officer has the demonstrated ability, background and skill sets to effectively perform his/her assigned responsibilities in a safe and sound manner and in compliance with applicable laws and regulations,
- ii. Include the steps that the Board shall take to effect any other necessary or desirable changes to the Savings Association's Senior Executive Officer composition and/or responsibilities, and
- iii. Include a schedule for the accomplishment of each such step.

(d) Upon receipt of written notice of the Regional Director's non-objection to the Management Plan (with such revisions as may be required by the OTS), the Association shall commence implementation of such plan, and, thereafter, shall fully implement and adhere to such plan, in accordance with its terms, with regular oversight by the Board.

(e) For purposes of this Order:

- i. "Current Outside Directors" means individuals who, as of November 13, 2007: (A) were members of the Board, and (B) were not employed as Senior Executive Officers of the Association; and
- ii. "Senior Executive Officer" has the meaning set forth in 12 C.F.R. § 563.555.

10. Continued Utilization of Mentor.

On an ongoing basis, the Association must continue to actively participate in and implement and adhere to its Mentoring Program. If the Mentor notifies the Association that it no longer wants to continue to participate in the Mentoring Program, then:

- i. Within ten (10) days of its receipt of such notification, the Association shall provide written notice thereof to the OTS c/o the appropriate Field Manager, and
- ii. Within forty-five (45) days of its receipt of such notification from the Mentor, the Association shall submit to the Regional Director a revised written Mentoring Program for review, comment and non-objection.

11. Restriction on Asset Growth.

Unless otherwise previously permitted in writing by the Regional Director, the Association shall limit its asset growth in any quarter to an amount not to exceed net interest credited on deposit liabilities during the quarter.

12. Board/Management Changes, Employment and Golden Parachute Matters.

(a) *Notice of Change of Director or Senior Executive Officer.* The Association is and shall be subject to the requirements and limitations set forth in Subpart H of Part 563 of the OTS' regulations (12 C.F.R. §§ 563.550 - .590). Without limitation on such requirements and limitations, this means, among other things, that, except as otherwise permitted by 12 C.F.R. § 563.590, (i) the Association must notify the OTS at least 30 days before adding or replacing any member of its Board, employing any person as a senior executive officer, or changing the responsibilities of any senior executive officer so that the person would assume a different senior executive officer position, and (ii) the proposed director or senior executive officer may not begin service except as permitted by 12 C.F.R. § 563.585 and 12 U.S.C. § 1831i.

(b) Notice of Contractual Arrangements Involving Compensation. The Association shall not enter into, renew, extend or revise any contractual arrangement related to compensation or benefits with any director or senior executive officer of the Association unless the Association first (i) provides a minimum of 30 days advance notice of the proposed transaction and (ii) receives a written notice of non-objection from the OTS. See OTS Examination Handbook § 310 (p. 310.17) and OTS Regulatory Bulletin 27b.

(c) Golden Parachute Restrictions. The Association is and shall be subject to the restrictions set forth in 12 C.F.R. Part 359. Such restrictions concern the making of agreements (including employment agreements) with severance provisions, "golden parachute payments" and "prohibited indemnification payments". Without limitation on the generality of the foregoing, this means, *inter alia*, that the Association shall not make or agree to make any "golden parachute payment", as that term is defined 12 U.S.C. § 1828(k) and in 12 C.F.R. Part 359, except as may be permitted pursuant to the aforesaid statutory provision and regulations. See 12 C.F.R. §§ 359.2 and 359.4.

13. Contracts Outside of the Ordinary Course of Business.

The Association shall not enter into any third-party contracts outside of the normal course of business without the prior written non-objection of the OTS. To seek such non-objection the Association shall provide 30 days advance written notice to the OTS of any such proposed contract. At a minimum, such notice shall set forth the Association's reasons for seeking the contract and shall transmit a copy of the proposed contract. See OTS Examination Handbook § 310 and OTS Thrift Bulletin 82a.

14. Borrowing Capacity/Unpledged Assets.

The Association shall, at all times, maintain sufficient unpledged assets (giving effect to the applicable margin requirements or "haircut" requirements) that will enable it to secure advances from a Federal Home Loan Bank or a Federal Reserve Bank in an amount which, when added to the Association's credit facilities not then drawn on, will equal not less than 10.0% of total assets, as reported in the most recent quarterly Thrift Financial Report to the OTS (Schedule SC-line 60). The Association shall immediately provide written notice to the OTS of any and all instances where its level of unpledged assets falls below the level required by this Section.

15. Board Compliance Committee.

(a) Effective immediately, the Board's Regulatory Compliance Committee, which was previously established pursuant to requirements of the OTS, shall monitor and coordinate the

Association's compliance with the provisions of this Order. The members of the Board's Regulatory Compliance Committee shall continue to be comprised of three or more directors, the majority of whom shall be Independent of Management (as defined below), and the Board's Audit Committee may serve as the Regulatory Compliance Committee.

(b) Within 30 days after the end of each calendar quarter, the Regulatory Compliance Committee shall continue to submit a written progress report to the Board detailing the actions taken to comply with each provision of this Order and the results of those actions.

(c) Within 45 days after the end of each calendar quarter, the Board shall continue to submit to the OTS – (i) a copy of the Regulatory Compliance Committee's quarterly progress report required by the foregoing subparagraph, with any additional comments made by the Board, to the Regional Director, and (ii) a written certification that each director has reviewed the report and has taken appropriate actions to cause the Association to comply with this Order.

#### 16. Definitions.

(a) *General.* All technical words or terms used in this Order for which meanings are not specified or otherwise provided by the provisions of this Order shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, the Home Owners' Loan Act ("HOLA"), the Federal Deposit Insurance Act ("FDIA"), OTS Memoranda or other published OTS guidance. Any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, the HOLA, the FDIA, or OTS Memoranda/guidance shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

(b) For purposes of this Order the terms referenced below have the meanings as set out below:

- (i) "Regional Director" means the OTS Regional Director for the Northeast Region, and includes any OTS official designated by him to act on his behalf with respect to matters relating to this Order.
- (ii) "Independent of Management" means that the person: (i) is not an officer, employee or consultant of the Savings Association, (ii) is not, either by blood or marriage, related to any existing Savings Association director, officer or their attorneys or consultants, (iii) does not currently have a business or professional relationship with any existing Savings Association director, officer or their attorneys or consultants and (iv) to the extent not inconsistent with the foregoing, meets the criteria set forth at 12 C.F.R. Part 363 and Appendix A thereof.

17. Effective Date; Incorporation of Stipulation.

This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

18. Duration.

This Order shall remain in effect until terminated, modified or suspended, by written notice of such action by OTS, acting by and through its authorized representatives.

19. Time Calculations.

(a) Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be calendar based, unless otherwise noted.

(b) The Regional Director (or another duly authorized OTS representative) may extend any of the deadlines set forth in the provisions of this Order upon written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

20. Submissions and Notices.

(a) All submissions, including progress reports, to OTS that are required by or contemplated by this Order shall be submitted with the specified timeframes.

(b) Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile or hand delivery by messenger) addressed as follows:

(i) *To OTS:*

Michael E. Finn, Regional Director  
Attn: Joseph J. Donohue, Asst. Director  
Office of Thrift Supervision  
Northeast Regional Office  
Harborside Financial Ctr Plaza 5, #1600  
Hudson & Pearl Streets  
Jersey City, New Jersey 07311  
Fax No.: (201) 413-7543

*Copy to:*

Randall Lyscik, Field Manager  
Office of Thrift Supervision  
875 Greentree Road  
Parkway Center Bldg. 7, #855  
Pittsburgh, Pennsylvania 15220  
Fax No.: (412) 920-6630

(ii) *To the Association:*

Richard A. Thornton, Chairman of the Board  
Dwelling House Savings and Loan Association  
501 Herron Ave.  
Pittsburgh, Pennsylvania 15219  
Fax No.: (412) 683-5104

21. No Violations Authorized.

Nothing in this Order or the Stipulation shall be construed as allowing the Association, its Board, officers or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

s/  
By: \_\_\_\_\_  
Michael E. Finn  
Regional Director, Northeast Region

UNITED STATES OF AMERICA  
Before the  
OFFICE OF THRIFT SUPERVISION

In the Matter of	)	
	)	
<b>DWELLING HOUSE SAVINGS</b>	)	Order No. NE-08-05
<b>AND LOAN ASSOCIATION,</b>	)	
Pittsburgh, Pennsylvania	)	Effective Date: June 30, 2008
OTS Docket No. 07178	)	
	)	

**STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST**

WHEREAS, the Office of Thrift Supervision (“OTS”), acting by and through its Regional Director for the Northeast Region (“Regional Director”), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Dwelling House Savings and Loan Association, Pittsburgh, Pennsylvania, OTS Docket No. 07178 (“Association”), that OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS, the Association desires to cooperate with OTS to avoid the time and expense of such administrative cease and desist proceedings by entering into this Stipulation and Consent to the Issuance of Order to Cease and Desist (“Stipulation”) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

**1. Jurisdiction.**

(a) The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b)

and 12 U.S.C. § 1462(4). Accordingly, the Association is “an insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).

(b) Pursuant to 12 U.S.C. § 1813(q), the Director of OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of OTS to initiate and maintain an administrative cease-and-desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

## **2. OTS Findings of Fact.**

Based on its November 13, 2007 examination of the Association, OTS finds that the Association has deficiencies in its management and in its operations, including its management and oversight of its Anti-Money Laundering Program, and has failed to comply with requirements of various laws and regulations, including:

(a) The Currency and Foreign Transactions Reporting Act, as amended by the USA Patriot Act and other laws (the “Bank Secrecy Act” or “BSA”), 31 U.S.C. §§ 5311 *et seq.*, and the regulations issued thereunder by the U. S. Department of the Treasury, 31 C.F.R. §§ 103.11 *et seq.*, and the related BSA regulations issued by the OTS, 12 C.F.R. § 563.177 (collectively with the aforementioned laws and regulations, the “BSA Laws and Regulations”), including but not limited to:

- i. 31 C.F.R. § 103.22 (reports of transactions in currency);
- ii. 31 C.F.R. § 103.18 and 12 C.F.R. § 563.180(d) (Suspicious Activity Reports);
- iii. 31 C.F.R. § 103.27 (filing of reports, and timing thereof);
- iv. 31 C.F.R. § 103.29 (purchases of money orders, etc.);
- v. 31 C.F.R. § 103.100 (FinCEN inquiries and record-keeping about institution compliance with obligations); and
- vi. 12 C.F.R. § 563.177 (effective anti-money laundering program required with appropriate internal controls, training, etc.);

(b) Provisions of the Equal Credit Opportunity Act regulations at 12 C.F.R. Part 202, specifically, 12 C.F.R. §§ 202.13 and 202.13(b);

(c) Provisions of the Real Estate Settlement Procedures Act regulations at 24 C.F.R. Part 3500, specifically, 24 C.F.R. § 3500.21(b)(1);

(d) Provisions of the Truth in Lending Act regulations at 12 C.F.R. Part 226, specifically, 12 C.F.R. § 226.19(a); and

(e) Provisions of the Fair and Accurate Credit Reporting Act, 15 U.S.C. §§ 1681g, specifically, 15 U.S.C. § 1681g(1)(A)(ii).

**3. Consent.**

The Association consents to the issuance by OTS of the accompanying Order to Cease and Desist (“Order”). The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

**4. Finality.**

The Order is issued by OTS under 12 U.S.C. § 1818(b), and upon the Effective Date it shall be a final order, effective and fully enforceable by OTS under the provisions of 12 U.S.C. § 1818(i). The Order shall supersede OTS Order to Cease and Desist No. NE 06-05 and the OTS supervisory directive letter dated January 22, 2008.

**5. Waivers.**

The Association waives the following:

(a) The right to be served with a written notice of OTS’s charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;

(b) The right to an administrative hearing of OTS’s charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;

(c) 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

(d) 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 common law, federal statutes or otherwise.

**6. OTS Authority Not Affected.**

Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting the Association if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

**7. Other Governmental Actions Not Affected.**

The Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 6 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

**8. Miscellaneous.**

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

(b) If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise.

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

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

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

(f) The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by OTS, acting through its Regional Director or other authorized representative.

**9. Signature of Directors/Board Resolution.**

Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation. This Stipulation may be executed in counterparts by the directors after approval of execution of the Stipulation at a duly called board meeting. A copy of the Board Resolution authorizing execution of this Stipulation shall be delivered to OTS, along with the executed original(s) of this Stipulation.

**[Remainder of Page Intentionally Left Blank]**

WHEREFORE, the Association, by its directors, executes this Stipulation.

**DWELLING HOUSE SAVINGS  
AND LOAN ASSOCIATION**  
Pittsburgh, Pennsylvania

s/  
By: \_\_\_\_\_  
Richard A. Thornton  
Chairman of the Board

Date: June 26 \_\_\_\_\_, 2008

Accepted by:

**OFFICE OF THRIFT SUPERVISION**

s/  
By: \_\_\_\_\_  
Michael E. Finn  
Regional Director, Northeast Region

Date: See Effective Date on page 1

s/  
\_\_\_\_\_  
Barry Balliet, Director

s/  
\_\_\_\_\_  
Everett Blanton, Director

s/  
\_\_\_\_\_  
Katie E. Johnson, Director

s/  
\_\_\_\_\_  
Robert M. Lavelle, Director

s/  
\_\_\_\_\_  
Robert R. Lavelle, Director

s/  
\_\_\_\_\_  
David W. Lendt, Director

s/  
\_\_\_\_\_  
Johnnie Monroe, Director