

#2011-154

Also Terminates OTS Order #NE 10-24

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:)
Wavel Bank)
Wallington, New Jersey)

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his authorized representative, has supervisory authority over Wavel Bank, Wallington, New Jersey, (“Association”).

The Association, by and through its duly elected and acting Board of Directors (“Board”), has executed a Stipulation and Consent to Issuance of Consent Order dated October 26, 2011 (“Stipulation”), accepted by the Comptroller. By this Stipulation and Consent, incorporated by reference, the Association has consented to the issuance of this Consent Order (“Order”) by the Comptroller. This Order supersedes and terminates Order No. NE-10-24, an Order to Cease and Desist issued to the Association on September 29, 2010 by the Office of Thrift Supervision (“OTS”).

Pursuant to the authority vested in it by the Federal Deposit Insurance Act, as amended, 12 U.S.C § 1818, the Comptroller hereby orders that:

ARTICLE I

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the date of this Order, the Board shall establish a Compliance Committee comprised of at least three (3) directors, of which no more than one (1)

shall be an employee or controlling shareholder of the Association or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall be submitted in writing to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Association’s adherence to the provisions of this Order.

(2) The Compliance Committee shall meet at least monthly.

(3) Within sixty (60) days of the date of this Order and within ten (10) days of the end of each fiscal quarter thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) actions taken to comply with each Article of this Order;
- (b) the results and status of those actions; and
- (c) a description of the actions needed to achieve full compliance with each Article of this Order.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of receiving such report.

ARTICLE II

ENSURE COMPETENT MANAGEMENT AND BOARD OVERSIGHT/

NEW DIRECTOR REQUIRED

(1) The Board shall immediately take action to add a new independent director and appoint him or her to both: (i) the Compliance Committee required by Article I and (ii) the Audit Committee of the Board. The term “independent” means a person who is not an officer or

employee of the Association and who is not a director, officer or employee of its affiliates, who is not a director, officer or employee of the related interests (as the term “related interest” is defined in 12 C.F.R. § 215.2(n)) of any current director or senior executive officer and who is not a relative of any of these persons.

(2) If the Board is unable to identify a qualified independent director within sixty (60) days of the date of this Order, the Board shall document its efforts to locate such candidates and notify the Assistant Deputy Comptroller in writing. Thereafter, the Board shall provide monthly reports to the Assistant Deputy Comptroller summarizing its continuing efforts to locate such candidates.

(3) Within sixty (60) days of the date of this Order, the Board shall ensure that the Association has competent management in place on a full-time basis in its senior executive officers to carry out the Board’s policies, ensure compliance with this Order, applicable laws, rules and regulations, and manage the day-to-day operations of the Association in a safe and sound manner, as well as a management employment and succession program to promote the retention and continuity of capable management.

(a) The Board shall review the capabilities of the Association’s senior executive officers to perform present and anticipated duties and the Board will determine whether management changes will be made, including the need for additions to or deletions from current management and assessment for the need of the separation of duties of the Association’s Chairman and Chief Executive Officer positions.

- (b) The Board shall also assess each of these officers' experience, other qualifications and performance compared to the position's description, duties and responsibilities.

(4) If the Board determines that an officer subject to assessment under Paragraph (3) of this Article will continue in his/her position but that the officer's depth of skills needs improvement, the Board will within thirty (30) days of such determination develop and implement a written program, with specific time frames, to improve the officer's supervision and management of the Association. At a minimum the written program shall include:

- (a) an education program designed to ensure that the officer has skills and abilities necessary to supervise effectively;
- (b) a program to improve the effectiveness of the officer;
- (c) objectives by which the officer's effectiveness will be measured;
- and
- (d) a performance appraisal program for evaluating performance according to the position's description and responsibilities and for measuring performance against the Association's goals and objectives.

A copy of the written program shall be submitted to the Assistant Deputy Comptroller.

(5) If a position subject to assessment under Paragraph (3) of this Article is vacant now or in the future, including if the Board realigns an existing officer's responsibilities and a position subject to assessment in Paragraph (3) of this Article becomes vacant, the Board shall within sixty (60) days of such vacancy appoint (subject to the receipt of prior regulatory non-objection under Paragraph (7) of this Article) a capable person to the vacant position who shall be vested with sufficient executive authority to ensure the Association's compliance with this

Order and the safe and sound operation of functions within the scope of that position's responsibility.

(6) Prior to the appointment of any individual as a director or to an executive officer position, the Board shall submit to the Assistant Deputy Comptroller the following information:

- (a) the information sought in the "Changes in Directors and Senior Executive Officers" and "Background Investigations" in Section 720 of the OTS Applications Handbook, together with a legible fingerprint card for the proposed individual;
- (b) a written statement of the Board's reasons for selecting the proposed director or officer; and
- (c) a written description of the proposed officer's duties and responsibilities.

(7) The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed new director or officer. However, the lack of disapproval of such individual shall not constitute an approval or endorsement of the proposed director or officer.

ARTICLE III

AUDIT COMMITTEE

The Board shall immediately take action to ensure that the Association's Audit Committee effectively performs and fulfills its duties and responsibilities, including, but not limited to, regularly reporting to the full Board, making decisions on the Board's behalf or submitting recommendations for the Board's consideration, monitor the Association's management and staff compliance with Board policies, laws and regulations, supervise the

Association's audit function to directly verify internal and external audit findings, consistent with Section 310 of the OTS Examination Handbook.

ARTICLE IV

BUDGET/BUSINESS PLAN

(1) Within one hundred twenty (120) days of the date of this Order, the Board shall prepare a written three-year business plan that shall include a projection of major balance sheet and income statement components. The business plan shall also include a written profit plan and a detailed budget. Specifically, the business plan shall describe:

- (a) the Board's general business philosophy, strategic goals and objectives for the three-year period, and the means by which the Association will achieve those goals and objectives together with specific time frames;
- (b) a detailed description of all material activities and related risks that the Association intends to engage in during the term of the business plan;
- (c) a budget that corresponds to the business plan's goals and objectives, and a system to monitor the Association's performance in comparison to the budget.

(2) The Association shall submit a copy of the business plan to the Assistant Deputy Comptroller for review and written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Association shall implement and adhere to the business plan.

(3) The Association shall submit to the Assistant Deputy Comptroller for its review and prior determination of no supervisory objection, with at least sixty (60) days advance, written notice, its intent to deviate significantly from the business plan.

(a) For purposes of this Article, changes that may constitute a significant deviation from the business plan include, but are not limited to, any significant deviations from the Association's business plan relating to: (i) marketing strategies, marketing partners, acquisition channels; (ii) underwriting practices and standards, account management strategies and test programs; (iii) collection strategies, partners or operations; (iv) fee structure, pricing, or fee application methods; (v) accounting processes and practices; (vi) funding strategy; or (vii) any other changes in personnel, operations or external factors that may have a material impact on the Association's operations or financial performance.

(b) Prior to making any changes that significantly deviate from the Association's business plan, the Board shall perform an evaluation of the adequacy of the Association's organizational structure, staffing, management information systems, internal controls and written policies and procedures to identify, measure, monitor, and control the risks associated with the product or service. The evaluation shall include an assessment of the impact of such change on the Association's condition, including a profitability analysis.

(4) The Board shall ensure that the Association has processes, personnel and control

systems to ensure implementation of and adherence to the business plan developed pursuant to this Article.

ARTICLE V

CONFLICT OF INTEREST/INSIDER LENDING

(1) Within sixty (60) days of the date of this Order, the Board shall adopt, implement, and thereafter ensure the Association's adherence to a written, comprehensive conflict of interest policy applicable to the Association's insiders as defined in 12 C.F.R. § 215.2(h) ("Insiders") and employees. The conflict of interest policy shall comport with 12 C.F.R. §163.43¹ (incorporating Regulation O at 12 C.F.R. Part 215 and addressing "Loans by savings associations to their executive officers, directors and principal shareholders"), and 12 C.F.R. § 163.200 (Conflicts of Interest). In addition to defining a conflict of interest, the policy shall address:

- (a) avoidance of conflicts of interest and breaches of fiduciary duty, and the appearance of conflicts of interest;
- (b) involvement in the loan approval process of Insiders who may benefit directly or indirectly from the decision to grant credit;
- (c) disclosure of actual and potential conflicts of interest to the Board, and periodic disclosure of "related interests" as defined by 12 C.F.R. Part 215;
- (d) requirements for arms-length dealing in any transactions by Insiders, or

¹ In order to facilitate the Office of the Comptroller of the Currency's ("OCC") enforcement and administration of former OTS rules and to make appropriate changes to these rules to reflect OCC supervision of federal savings associations as of the transfer date, the OCC republished, with nomenclature and other technical changes, the OTS regulations formerly found in Chapter V of Title 12 of the Code of Federal Regulations. The republished regulations are codified with the OCC's regulations in Chapter I at parts 100 through 197 ("Republished Regulations"), effective on July 21, 2011. The Republished Regulations supersede the OTS regulations in Chapter V for purposes of OCC supervision and regulation of federal savings associations. OTS Integration Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; Interim Final Rule, 76 Fed.Reg. 48,950 (Aug. 9, 2011). References in this document are to the Republished Regulations at 12 C.F.R. Chapter I.

their related organizations, involving the Association's sale, purchase, or rental of property and services;

- (e) disclosure of any Insider's material interest in the business of a borrower, an applicant, or other customer of the Association; and
- (f) restrictions on and disclosure of receipt of anything of value by Insiders, directly or indirectly, from borrowers, loan applicants, other customers, or suppliers of the Association.

(2) Upon adoption, the Association shall provide a copy of this conflict of interest policy to the Assistant Deputy Comptroller.

(3) The Board shall ensure that the Association has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

(4) Within thirty (30) days of the adoption of the revised conflict of interest policy required by Paragraph (1) of this Article, the Compliance Committee shall conduct a review of the Association's existing relationships with its Insiders for the purpose of identifying relationships not in conformity with the policy. The Board shall ensure that:

- (a) any nonconforming relationships are brought into conformity with the policy within thirty (30) days following the Compliance Committee's review; and
- (b) that within thirty (30) days of the Compliance Committee's review, the Association is properly reimbursed for:
 - (i) any excess or improper payments to Insiders;

- (ii) any excess or improper payments for services provided by Insiders; and
- (iii) any fees payable by insiders related to contractual agreements and/or account agreements.

Thereafter, the Board shall review all proposed transactions, or modifications of existing relationships, between the Association and any of its Insiders. Documentation supporting these reviews shall be in writing and preserved in the Association.

(5) Effective immediately, the Association shall not grant any overdraft extensions of credit to Insiders. Within thirty (30) days of the date of this Order, the Association shall revise its overdraft policies and procedures to reflect the requirements set forth in Paragraph (4)(a) of this Article. The changes in the overdraft policies shall be documented in the Board meeting minutes.

ARTICLE VI

OVERDRAFT POLICY

(1) Within thirty (30) days of the date of this Order, the Board shall adopt, implement and thereafter ensure the Association's adherence to a written policy concerning overdraft extensions of credit to persons and entities that are not Insiders (and therefore restricted from obtaining any overdraft extension of credit pursuant to Article V, Paragraph (5)) that shall include, at a minimum:

- (a) conditions and circumstances under which overdrafts are allowable, including standards, dollar threshold limits for overdraft approvals and specific overdraft lending authority limits;
- (b) charges that will be levied against depositors using overdrafts;

- (c) controls to ensure that employee overdrafts are treated consistent with account agreements;
- (d) a prohibition on the use of overdrafts by Association borrowers to finance their business activities; and
- (e) clear guidelines governing the charge- off of past-due overdrafts.

(2) Upon adoption, the Association shall forward a copy of this overdraft policy to the Assistant Deputy Comptroller.

(3) The Board shall ensure that the Association has processes, personnel and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE VII

LOAN PORTFOLIO MANAGEMENT

(1) The Board shall, within sixty (60) days of the date of this Order, develop, implement, and thereafter ensure the Association's adherence to a written credit policy to improve the Association's loan portfolio management. The credit policy shall include, but not be limited to:

- (a) a description of the types of credit information required from borrowers and guarantors, including, but not limited to, annual audited statements, interim financial statements, personal financial statements, and tax returns with supporting schedules;
- (b) procedures that require any extension of credit (new, maturity extension, or renewal) is made only after obtaining and validating current credit information about the borrower and any guarantor sufficient to fully assess

and analyze the borrower's and guarantor's cash flow, debt service requirements, contingent liabilities, and global liquidity condition, and only after the credit officer prepares a documented credit analysis;

- (c) procedures that require any extension of credit (new, maturity extension, or renewal) is made only after obtaining and documenting the current valuation of any supporting collateral, perfecting and verifying the Association's lien position, and that reasonable limits are established on credit advances against collateral, based on a consideration of, but not limited to, a realistic assessment of the value of collateral, the ratio of loan to value, and overall debt service requirements;
- (d) procedures to ensure that loans made for the purpose of constructing or developing real estate include, but are not limited to, requirements to:
 - (i) obtain and evaluate detailed project plans; detailed project budget; time frames for project completion; detailed market analysis; and sales projections, including projected absorption rates;
 - (ii) conduct stress testing of significant project and lending; and
 - (iii) obtain current documentation sufficient to support a detailed analysis of the financial condition of borrowers and significant guarantors.
- (e) a requirement that borrowers and/or guarantors maintain any collateral margins established in the credit approval process;
- (f) procedures that prohibit the capitalization of accrued interest on any loan renewal or extension;

- (g) procedures that prohibit, on any loan renewal, extension or modification, the establishment of a new interest reserve using the proceeds of any Association loan to the same borrower or guarantor;
- (h) procedures to ensure that all exceptions to the credit policy shall be clearly documented on the loan offering sheet, problem loan report, and other management information systems and approved by the Board or a committee thereof before the loan is funded or renewed;
- (i) credit risk rating definitions consistent with applicable regulatory guidance;
- (j) procedures for early problem loan identification, to ensure that credits are accurately risk rated;
- (k) procedures governing the identification and accounting for nonaccrual loans; and
- (l) prudent lending and approval limits for lending officers that are commensurate with their experience and qualifications, and that prohibit combining individual lending officers' lending authority to increase limits.

(2) The Board shall ensure that Association personnel performing credit analyses are adequately trained in cash flow analysis, particularly analysis using information from tax returns, and that processes are in place to ensure that additional training is provided as needed.

(3) Upon completion, a copy of the credit policy shall be forwarded to the Assistant Deputy Comptroller.

(4) The Board shall, at least on an annual basis, review the credit policy developed pursuant to this Article, and revise it as appropriate.

(5) The Board shall ensure that the Association has processes, personnel, and control systems to ensure implementation of and adherence to the program and systems developed pursuant to this Article.

ARTICLE VIII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within thirty (30) days, the Association shall:

- (a) recognize and record all loan losses previously identified in Reports of Examination or by its internal processes;
- (b) perform revised impairment analyses on all nonhomogeneous loans delinquent ninety (90) days or more in those instances where updated appraisals were not previously obtained in the impairment analysis.

(2) Within forty-five (45) days, the Association shall review and recalculate the adequacy of its Allowance for Loan and Lease Losses (“Allowance”) and shall revise its policy (“Allowance Policy”) for the maintenance of an adequate Allowance. This review and policy shall be designed in light of the comments on maintaining a proper Allowance found in the 2006 Interagency Policy on the Allowance for Loan and Lease Losses and shall focus on the following factors:

- (a) include the appropriate use of ASC 310-40 (Financial Accounting Standards Board (FASB) 114 impairment analysis); and
- (b) include support for qualitative factors utilized in determining the appropriate Allowance.

(3) The policy shall provide for a review of the Allowance by the Board at least once each calendar quarter prior to the submission of regulatory financial reports. Any deficiency in

the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the regulatory financial reports, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

(4) The Board shall ensure that the Association has processes, personnel and control systems to ensure implementation of and adherence to the Allowance Policy.

ARTICLE IX

IMPROVEMENTS TO LOAN WORKOUT PRACTICES

(1) Within sixty (60) days of the date of this Order, the Board shall establish loan workout processes designed to restore and reclaim classified assets, consistent with the “Policy Statement on Prudent Commercial Real Estate Loan Workouts” issued by the financial regulators on October 30, 2009.

(2) Within sixty (60) days of the date of this Order, the Board shall identify and employ an individual with demonstrated experience and skills to manage the Association’s loan workouts (“loan workout specialist”). The loan workout specialist shall report to the Board of Directors or Audit Committee and shall be independent of the Association's credit origination function. The loan workout specialist shall be responsible for completing the tasks described in Paragraphs (4) and (5) of this Article.

(3) Prior to the appointment or employment of any loan workout specialist, the Board shall submit the name and qualifications of the proposed individual to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(4) Within sixty (60) days following the appointment or employment of the loan workout specialist, the Association shall update its review and analysis of its nonhomogeneous (nonresidential mortgage, nonmortgage commercial and construction) loan portfolio and submit a detailed work-out plan and strategy for each problem loan and/or loan relationship greater than five hundred thousand (\$500,000) (Loan Workout Plan) to the Board for approval. The Association shall provide a copy of the Loan Workout Plan and the Board Resolution approving the Loan Workout Plan to the Assistant Deputy Comptroller within twenty (20) days following its submission to the Board.

(5) Within forty-five (45) days after the end of each quarter, beginning with the quarter following the Board's approval of the Loan Workout Plan, the Association shall submit a quarterly written loan workout status report (Quarterly Loan Workout Report) to the Board. The Board shall document its review of the Quarterly Loan Workout Report in the Board meeting minutes. The Association shall implement the exit strategies stated in the respective problem loan action plans in a manner consistent with safe and sound banking practices.

ARTICLE X

EMPLOYMENT AGREEMENTS

(1) Within thirty (30) days, the Association shall amend its executive employment contracts to comply with 12 C.F.R. § 163.39 (employment agreements), as interpreted and clarified through the safety and soundness standards set forth in Section 310 of the Office of Thrift Supervision ("OTS") Examination Handbook. Such amendments shall include, without limitation: (a) removal of "evergreen" features and inclusion of requirement for annual board

review and approval prior to extension of the contract, and (b) elimination of payment for legal and accounting costs arising in contract disputes in the absence of legal judgment or settlement.

(2) The Association shall not enter into, renew or revise any contractual arrangement related to compensation or benefits with any director or senior executive officer of the Association, unless it first (a) provides a minimum of thirty (30) days' advance written notice of the proposed arrangement to the Assistant Deputy Comptroller and (b) receives a written notice of no supervisory objection from the Assistant Deputy Comptroller. The Association shall ensure that any contract, agreement or arrangement submitted to the OCC fully complies with the requirements of 12 C.F.R. Part 359 (golden parachute), 12 C.F.R. §§ 163.39 (employment agreements) and 163.161(b)(compensation), and 12 C.F.R. Part 170—Appendix A (safety and soundness standards).

ARTICLE XI

CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and plans for the review or prior written determination of no supervisory objection of the Assistant Deputy Comptroller, the Board has the ultimate responsibility for proper and sound management of the Association.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America to undertake any action affecting the Association, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Order in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Association, it is intended to mean that the Board shall:

- (a) authorize and adopt such actions on behalf of the Association as may be necessary for the Association to perform its obligations and undertakings under the terms of this Order:
- (b) require the timely reporting by Association management of such actions directed by the Board to be taken under the terms of this Order; follow-up on any noncompliance with such actions in a timely and appropriate manner; and
- (c) require corrective action be taken in a timely manner of any noncompliance with such actions.

(6) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(7) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

/s/

10/26/11

Thomas S. Angstadt
Assistant Deputy Comptroller
New York Metro Field Office

Date

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:)
Wavel Bank)
Wallington, New Jersey)

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against Wade Bank, Wallington, New Jersey, (“Association”) pursuant to 12 U.S.C. § 1818(b) through the issuance of Notice for unsafe and unsound banking practices relating to the Association’s asset quality, credit administration, management and violations of a laws and regulations.

The Association, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated October 26, 2011 (“Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Association, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

JURISDICTION

The Association is a federal savings association examined by the Comptroller pursuant to the Home Owners Loan Act of 1933, as amended, 12 U.S.C. § 1461 et seq.

The Comptroller is “the appropriate Federal banking agency” regarding the regarding the Association pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

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).

This Order shall cause the Association to continue to be designated as in “troubled condition,” as set forth in 12 C.F.R. § 163.555, unless otherwise informed in writing by the Comptroller; and the following restrictions remain in force:

The Association is required to notify OCC of the proposed addition of any individual to the board of directors or the employment of any individual as a senior executive officer at least thirty days before such addition or employment becomes effective, as required by the 12 C.F.R. § 163.560 and 12 U.S.C. § 1831i.

The Association is restricted from making any “golden parachute payment” (including severance payments and agreements relating thereto), within the meaning and subject to the restrictions of 12 U.S.C. § 1828(k) and 12 C.F.R. Part 359, except as may be permitted under the above-mentioned statute and regulation.

The Association shall not declare or pay dividends or make any other capital distributions, as that term is defined in 12 C.F.R. § 163.141, without first filing an application pursuant to 12 C.F.R. § 163.143(a) and receiving the prior written approval of the Assistant Deputy Comptroller.

The Association will not qualify for expedited treatment for applications and notices filed with the OCC. See 12 C.F.R. § 116.5.

AGREEMENT

(1) The Association, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller.

(2) The Association further agrees that said Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i). Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Association under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Association expressly acknowledges that neither the Association nor the Comptroller has any intention to enter into a contract.

(3) The Association also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller’s exercise of his supervisory responsibilities.

WAIVERS

(1) The Association, by signing this Stipulation and Consent, hereby waives:

- (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b) and 12 C.F.R. Part 109;
- (b) any and all procedural rights available in connection with the issuance of the Order;

- (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 109;
- (d) all rights to seek any type of administrative or judicial review of the Order; and
- (e) any and all rights to challenge or contest the validity of the Order.

OTHER ACTION

The Association agrees that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Association if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/

 Thomas S. Angstadt
 Assistant Deputy Comptroller
 New York Metro Field Office

10/26/2011

 Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Association.

/s/

 Robert Ranzinger, Chairman

10/26/11

 Date

/s/

 John P. Condrick

10/26/11

 Date

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/s/	10/26/11
Thosmas J. Duch	Date
/s/	10/26/11
Henry J. Monkowski	Date
/s/	10/26/11
Henry C. Walentowicz	Date
/s/	10/26/11
Walter G. Wargacki	Date
/s/	10-26-11
Jerry F. Wlodarczyk	Date
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