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Dated: March 17, 2000

STIPULATION AND CONSENT TO ENTRY OF ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed CHRISTINE CIPRIANO, a former employee of Sovereign Bank, Wyomissing, PA (OTS No. 4410, the "Institution") that the OTS is of the opinion that grounds exist to initiate administrative prohibition proceedings against CHRISTINE CIPRIANO pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e),¹ and

WHEREAS, CHRISTINE CIPRIANO desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of the OTS, except as to Jurisdiction (paragraph 1, below), which is admitted, hereby stipulates and agrees to the following:

1. Jurisdiction.

(a) Sovereign Bank, at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) CHRISTINE CIPRIANO as a former employee of the Institution, is deemed to be an institution affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such

¹ All references to the United States Code ("U.S.C.") are as amended, unless otherwise indicated.

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capacity within six (6) years of the date hereof. See 12 U.S.C. § 1818(i)(3).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain enforcement proceedings against such a savings association or its institution-affiliated parties. Therefore, CHRISTINE CIPRIANO is subject to the authority of the OTS to initiate and maintain prohibition proceedings against her pursuant to 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS finds that between January 27, 1999 and April 13, 1999, CHRISTINE CIPRIANO, without authorization, misapplied \$16,500 in funds of the Institution to her own use. This occurred when she made unauthorized withdrawals from customers' accounts. Further, she admitted this misappropriation in a hand written statement to Sovereign Fraud Investigator Cindy Wessner on June 10, 1999. It is also understood that full restitution has been made. As a result of the foregoing, CHRISTINE CIPRIANO (1) engaged in a violation of law or breached her fiduciary duty of honesty to the Institution; and (2) the Institution suffered a financial loss or CHRISTINE CIPRIANO received a financial gain or other benefit; and (3) the violation of law or breach of fiduciary duty demonstrates willful and/or continuing disregard by CHRISTINE CIPRIANO for the safety and soundness of the Institution.

3. Consent. CHRISTINE CIPRIANO consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). CHRISTINE CIPRIANO further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued by the OTS pursuant to 12 U.S.C. § 1818(e). Upon its issuance by the OTS, 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. CHRISTINE CIPRIANO waives the following:

(i) the right to be served with a written notice of the OTS's charges against her (see, e.g.,

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12 U.S.C. § 1818(e));

- (ii) the right to an administrative hearing of the OTS's charges against her (see, e.g., 12 U.S.C. §§ 1818(e) and 1818(h));
- (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 the 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, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412.

6. Scope of Release: Other Government Actions Not Affected.

(a) CHRISTINE CIPRIANO acknowledges and agrees that her consent to the entry of the Order is for the purpose of resolving this administrative prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of CHRISTINE CIPRIANO that arise pursuant to this action or otherwise, and that may be or have been brought by any other governmental entity other than the OTS.

(b) By signing this Stipulation and Consent, CHRISTINE CIPRIANO agrees that she will not assert this administrative proceeding, her consent to the entry of the Order, and/or the entry of the Order as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other federal or state governmental entity.

7. Indemnification Limitations. CHRISTINE CIPRIANO represents that she has not received, directly or indirectly, any sums from the Institution for the purpose of indemnifying or reimbursing him for any expenses incurred by her relating to the issuance of the Order. CHRISTINE CIPRIANO shall not cause or permit the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional

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expenses incurred relative to the negotiation and issuance of the Order. CHRISTINE CIPRIANO also shall not obtain any indemnification (or other reimbursement) from the Institution (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 CHRISTINE CIPRIANO in connection with this matter shall be promptly returned to the Institution (or any successor institution, holding company, subsidiary or service corporation thereof).

8. Miscellaneous.

(a) The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America;

(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 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 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; and

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(e) This 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.

WHEREFORE, on this 6th day of March, 2000 CHRISTINE CIPRIANO executes this Stipulation, intending to be legally bound hereby.

Accepted on the date of the Order by:
Office of Thrift Supervision
By:

/S/

CHRISTINE CIPRIANO

/S/

Robert C. Albanese
Northeast Regional Director

_____)
 In the Matter of)
)
 CHRISTINE CIPRIANO,)
)
)
 a former employee of)
)
)
 Sovereign Bank,)
)
 Wyomissing, PA)
 _____)

OTS Order No. NE00-05
 Dated: March 17, 2000

WHEREAS, CHRISTINE CIPRIANO has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation"); and

WHEREAS, the Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue orders, pursuant to provisions of 12 U.S.C. § 1818, where the institution-affiliated party who is the subject to the order has consented to its issuance.

1. CHRISTINE CIPRIANO is prohibited from further participation, in any manner, in the conduct of the affairs of Sovereign Bank, Wyomissing, PA (OTS Docket No. 4410), and any successor institution, holding company, subsidiary, and/or service corporation thereof.

¹ All references to the United States Code ("U.S.C.") are as amended, unless otherwise indicated.

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other "appropriate Federal financial institutions

3. regulatory agency" for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(A) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or any 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, state banks, trust companies, and other banking institutions;
- (ii) any institution treated as an insured bank under Sections 8(b)(3) and 8(b)(4) of the FDIA, 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under Section 8(b)(9) of the FDIA, 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.

(B) 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 described in 12 U.S.C. § 1818(e)(7)(A);

(C) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. § 1813(q); or

(D) vote for a director, or 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.

3. Due to the issuance of this Order, CHRISTINE CIPRIANO is a "person subject to

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an order in effect under subsection (e)" of 12 U.S.C. § 1818 for purposes of 12 U.S.C. § 1818(j).

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

5. CHRISTINE CIPRIANO shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

6. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. This Order and the related Stipulation shall remain in effect until terminated, modified or suspended by written action of the OTS, acting through its Director, Regional Director or other authorized representative.

OFFICE OF THRIFT SUPERVISION

By:

/S/

Robert C. Albanese
Northeast Regional Director

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