

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION, DEPARTMENT OF THE TREASURY

In the Matter of)	
)	Re: OTS Order No. NE93-32
JOHN MESISCA,)	
)	Date: August 19, 1993
a director and officer of)	
FAMILY FIRST FEDERAL SAVINGS)	
BANK, Clifton, New Jersey)	STIPULATION AND CONSENT
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This Stipulation and Consent is entered into by and between JOHN MESISCA, a director and officer of FAMILY FIRST FEDERAL SAVINGS BANK ("FAMILY FIRST"), Clifton, New Jersey, and the OFFICE OF THRIFT SUPERVISION ("OTS"), an office within the United States Department of the Treasury, whose acceptance of this Stipulation and Consent is indicated by issuance of the accompanying CONSENT CEASE-AND-DESIST ORDER IMPOSING LIMITATIONS AND DIRECTING CERTAIN AFFIRMATIVE ACTION AND CONSENT ORDER OF CIVIL MONEY PENALTY ASSESSMENT (the "Order").

R E C I T A L S

WHEREAS, the OTS, based upon information derived from its investigation No. EAST-91-2 (the "Investigation") concerning the affairs and ownership of FAMILY FIRST and other exercises of its regulatory responsibilities, is of the opinion that the grounds exist to commence an administrative proceeding against JOHN MESISCA for the issuance of final agency orders, pursuant to provisions of Section 8 of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. § 1818 (West 1989 & Supp. 1993); and

WHEREAS, JOHN MESISCA desires to cooperate with the OTS and to avoid the time and expense of administrative litigation.

NOW, THEREFORE, JOHN MESISCA, for the purposes of this settlement only, without either admitting or denying the factual or legal conclusions reached by the OTS or that grounds for administrative proceedings exist, hereby stipulates and agrees as follows:

1. Consideration. JOHN MESISCA hereby stipulates and agrees to issuance of the Order in consideration for OTS forever releasing and discharging JOHN MESISCA (but no other person) from all potential claims and charges that:

- (i) have been or might have been asserted by the OTS arising out of facts known to the OTS or discovered by the OTS prior to issuance of the attached Order as a result of the Investigation; or
- (ii) otherwise have been or might have been asserted by the OTS based on findings set forth in the following written reports of examination of FAMILY FIRST: OTS report for the federal regular examination commenced on August 3, 1992; OTS report for the field visit commenced on October 29, 1991; OTS report for the special (compliance) examination commenced on September 30, 1991; OTS report for the federal regular examination commenced on April 29, 1991; OTS report for the federal regular examination commenced on May 29, 1990; the Federal Home Loan Bank Board/Federal Home Loan Bank ("FHLBB") report for the federal regular examination commenced on March 20, 1989; the FHLBB report for the special limited examination

commenced on December 21, 1987; and the FHLBB report for the special limited examination commenced on August 3, 1987.

2. Jurisdiction.

(a) It is stipulated and agreed that: (i) the OTS, an appropriate Federal banking agency, is authorized to issue the Order pursuant to 12 U.S.C.A. §§ 1818(b) and 1818(i)(2) (West 1989 & Supp. 1993); and (ii) FAMILY FIRST is (x) a Federal savings association, as that term is defined at 12 U.S.C.A. §§ 1462(5) and 1813(b)(2), and (y) an insured depository institution, as that term is defined at 12 U.S.C.A. § 1813(c)(2).

(b) JOHN MESISCA acknowledges that he is and has been, since May 1987 and at all pertinent times: (i) an officer and/or director of FAMILY FIRST; and (ii) an institution-affiliated party of FAMILY FIRST, within the meaning of 12 U.S.C.A. § 1813(u).

3. Consent. JOHN MESISCA consents to the jurisdiction of the OTS and to issuance of the accompanying Order. JOHN MESISCA agrees to comply with the terms of the Order, and he stipulates that the Order, which is remedial, complies with all requirements of law.

4. Finality. The Order is issued by the OTS under the authority of 12 U.S.C.A. §§ 1818(b) and 1818(i)(2) (West 1989 & Supp. 1993). JOHN MESISCA acknowledges and understands that, upon issuance, the Order will be a final order that is effective and fully enforceable by the OTS under provisions of federal law, including Section 8(i) of the FDIA (12 U.S.C.A. § 1818(i)).

5. Waivers. JOHN MESISCA, following consultation with his counsel, hereby waives the following legal rights:

- (1) the right to be served with a written notice of charges, notice of assessment or other similar notice pursuant to provisions of Sections 8(b) and 8(i)(2) of the FDIA (12 U.S.C.A. §§ 1818(b) and 1818(i)(2)), and other applicable law;
- (2) the right to an administrative adjudicatory hearing of the OTS' charges against him;
- (3) the right to seek judicial review of the Order, including (but not limited to) any such right provided by Section 8(h) of the FDIA (12 U.S.C.A. § 1818(h)) or otherwise to challenge the validity of the Order; and
- (4) any claims for attorneys' fees or expenses under the Equal Access to Justice Act, 5 U.S.C.A. § 504.

6. No Effect on Actions by Other Agencies.

(a) This Stipulation and Consent, the Order and the payment by JOHN MESISCA of any monies or providing any other financial relief as contemplated by the Order, does not release, discharge, compromise, settle, dismiss or resolve, or in any way affect any civil actions, charges against, or liability of JOHN MESISCA that may be or have been brought by the Resolution Trust Corporation or any other governmental entity other than the OTS, whether arising pursuant to the OTS' investigative findings or otherwise.

(b) JOHN MESISCA acknowledges and agrees that this Stipulation and Consent, the OTS' issuance of the Order, and JOHN MESISCA's payment of the civil money penalty assessed by the Order are not intended to and do not resolve, affect or preclude any other proceedings, civil or otherwise, that may be or have been brought against JOHN MESISCA (1) by the OTS (except as otherwise

specifically provided by the release at paragraph 1 hereof) or (ii) any other governmental entity.

(c) By signing this document JOHN MESISCA agrees that he will not assert the assessment or payment of the civil money penalty 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 governmental entity.

7. Cooperation. JOHN MESISCA shall cooperate fully with the OTS (including its enforcement and litigation lawyers) whenever requested in connection with any administrative proceeding or other litigation concerning FAMILY FIRST or any institution-affiliated parties thereof.

8. Requests for Termination or Modification of the Order. JOHN MESISCA is not precluded from making application to the OTS for termination or modification of the Order. JOHN MESISCA understands that: (i) the decision to grant or deny any such application is within the sole discretion of the OTS; (ii) any such application shall be summarily denied if he has failed to comply fully with all requirements and restrictions imposed by the Order; and (iii) the OTS does not presently intend to grant any such application within four years of issuance of the Order.

9. Communications.

(a) The OTS may send written notices and other communications to JOHN MESISCA care of his counsel:

Peter N. Gilbreth, Esq.
Law Offices of Stephen S. Weinstein
20 Park Place
Morristown, New Jersey 07960

(b) All payments, notices or other communications required or permitted to be sent by JOHN MESISCA to the OTS' Enforcement Counsel shall be sent to:

Steven A. Rosenberg, Esq.
Senior Enforcement Counsel
Office of Thrift Supervision
10 Exchange Place, 17th Floor
Jersey City, New Jersey 07302.

(c) All communications required or permitted to be sent by JOHN MESISCA to the OTS shall be sent to:

Robert C. Albanese, Deputy Regional Director
Office of Thrift Supervision
10 Exchange Place, 18th Floor
Jersey City, New Jersey 07302.

with a copy sent to the OTS' Enforcement Counsel.

10. Miscellaneous.

(a) The construction and validity of this Stipulation and Consent 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 Consent and the Order shall also mean any of the OTS' predecessors, successors, and assigns.

(c) The section and paragraph headings in this Stipulation and Consent and the Order are for convenience only, and such headings shall not affect the interpretation of this stipulation and Consent and the Order.

(d) The terms of this Stipulation and Consent and the Order represent the final written agreement of the parties with respect to the subject matters hereof, and constitutes the sole agreement of the parties with respect to such subject matters.

The terms of this Stipulation and Consent and the Order may not be amended except by a written document executed by JOHN MESISCA and the OTS, by and through its Director (or an appropriate designee).

WHEREFORE, JOHN MESISCA duly signs this Stipulation and Consent, which shall become effective upon acceptance by the OTS, as shown by its issuance of the Order.

/S/

JOHN MESISCA

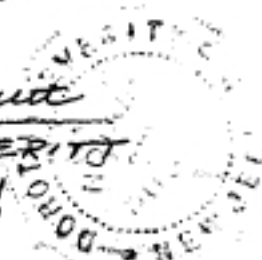
STATE OF NEW JERSEY)
) SS:
COUNTY OF PASSAIC)

On this 12TH day of August 1993, before me the subscriber, a Notary Public in and for the aforesaid State, personally appeared JOHN MESISCA the individual who executed the foregoing Stipulation and Consent, and he acknowledged that he did examine and read the same and did sign the foregoing instrument, and that the same is his free act and deed.

Dorothy Everitt

DOROTHY EVERITT

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires November 13, 1997



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**CONSENT CEASE-AND-DESIST ORDER IMPOSING LIMITATIONS
AND DIRECTING CERTAIN AFFIRMATIVE ACTION AND
CONSENT ORDER OF CIVIL MONEY PENALTY ASSESSMENT**

WHEREAS, the Office of Thrift Supervision ("OTS") has conducted an investigation pursuant to OTS Resolution EAST-91-2 dated January 28, 1991 (the "Investigation") concerning Family First Federal Savings Bank ("FAMILY FIRST"), Clifton, New Jersey, and, as a result of the Investigation, has concluded that:

I. Background

JOHN MESISCA is, and since November 1990 has been, the President and a director of FAMILY FIRST, a stockholder-owned federal savings bank. He has been an officer of FAMILY FIRST since May 1987.

At all pertinent times while JOHN MESISCA served as an officer of FAMILY FIRST, he reported to Ronald Tobia, who served as the Chief Executive Officer and Chairman of the Board of FAMILY FIRST. During that time Mr. Tobia also was a "partner" with the law firm of Schwartz, Tobia & Stanziale, which served as general counsel and regulatory counsel for FAMILY FIRST.

II. The Loans to ABK Enterprises

ABK Enterprises is a New Jersey partnership organized to purchase and develop real estate, and its initial partners were persons affiliated with Joseph Servidone, who until July 1993 served as a FAMILY FIRST director. Certain records of FAMILY FIRST show that, since about June 1989, FAMILY FIRST's directors and senior officers were put on notice that ABK Enterprises was an "affiliated person" of FAMILY FIRST due to the relationship of some of its partners with FAMILY FIRST directors.

In 1990, federal conflict-of-interest regulations prohibited savings associations from making commercial loans of more than \$100,000 to "affiliated persons." Pursuant to those regulations a partnership is considered an "affiliated person" of a savings association where, inter alia, one or more its general partners is a director or officer of the savings association.

In early 1990, prior to JOHN MESISCA's promotion to the president's post, Ronald Tobia told JOHN MESISCA that he intended for FAMILY FIRST to make commercial loans of about \$900,000 to ABK Enterprises. Mr. Tobia also informed JOHN MESISCA that upon funding of the loans the partnership was going to be reorganized to include Mr. Tobia, some FAMILY FIRST directors, and some lawyers from his law firm. Mr. Tobia invited JOHN MESISCA to join the ABK Enterprises partnership at that time, and JOHN MESISCA accepted that invitation.

In March 1990, FAMILY FIRST granted applications by ABK Enterprises for two commercial loans totaling \$900,000. On March 14, 1990, FAMILY FIRST funded these loans, and on the same day, JOHN MESISCA (together with Ronald Tobia, some FAMILY FIRST directors, and some Schwartz, Tobia & Stanziale lawyers) became a general partner of ABK Enterprises. Less than a month later, FAMILY FIRST sold the two ABK Enterprises loans to a company controlled by certain FAMILY FIRST directors.

III. Communications About Dealings with Deposit Brokers

Since 1987, FAMILY FIRST's written Business Plan, submitted to the OTS (or its predecessors), has provided that FAMILY FIRST's liabilities were to grow at less than 25% per year and that FAMILY FIRST did not plan to utilize the services of deposit brokers. At all times from 1987 through 1992, FAMILY FIRST's written reports of financial information ("Thrift Financial Reports") submitted to the OTS (or its predecessors) reported that FAMILY FIRST had not accepted any brokered deposits, i.e., deposits placed with the assistance of firms engaged in the business of facilitating the placement of deposits ("deposit brokers").

During the summer of 1991, OTS examiners discovered that during 1991 FAMILY FIRST had wired out substantial dollar amounts of funds to out-of-state customers whose certificates of deposit ("CDs") had matured. The OTS examiners thereby suspected that FAMILY FIRST previously had accepted brokered deposits notwithstanding the contrary information in the Thrift Financial Reports.

In December 1991, FAMILY FIRST's directors, including JOHN MESISCA, told OTS examiners and other OTS representatives that they knew nothing about FAMILY FIRST's acceptance

of brokered deposits. Due to the regulatory inquiries, FAMILY FIRST's Board of Directors instructed FAMILY FIRST's Chief Financial Officer to investigate whether FAMILY FIRST had ever accepted brokered deposits. The Chief Financial Officer, following his review of bank records and discussions with JOHN MESISCA, prepared a report in early 1992 that identified three instances where a former FAMILY FIRST officer had signed written agreements with deposit brokers. Under those agreements the deposit brokers facilitated the placement by various persons of substantial funds into new FAMILY FIRST CD accounts having specified terms. None of the agreements identified in the report had been signed by JOHN MESISCA.

In early 1992, OTS examiners asked JOHN MESISCA whether he was aware about the existence of any other agreements similar to those identified in the Chief Financial Officer's report. At that time, JOHN MESISCA failed to tell the examiners about similar agreements that he had signed on behalf of FAMILY FIRST. However, the OTS found from documents produced to it by deposit brokers that, between February 1988 and May 1990, JOHN MESISCA in fact had signed three agreements with deposit brokers that were similar to those identified in the Chief Financial Officer's report. When placed under oath by the OTS in late 1992, JOHN MESISCA stated that FAMILY FIRST had entered into these other agreements with the deposit brokerage firms.

WHEREAS, the OTS is of the opinion that the grounds exist for the OTS to seek the issuance of certain agency orders against JOHN MESISCA, pursuant to Sections 8(b) and 8(i)(2) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. §§ 1818(b) and 1818(i)(2) (West 1989 & Supp. 1993); and

WHEREAS, JOHN MESISCA neither admits nor denies the allegations arising from the Investigation; and

WHEREAS, JOHN MESISCA has stipulated and consented to the issuance of this Order by executing the attached Stipulation and Consent, the terms of which are hereby incorporated into this Order by this reference.

NOW THEREFORE, the Director of OTS, pursuant to 12 U.S.C.A. §§ 1818(b) and 1818(i)(2), HEREBY ORDERS as follows:

1. Limitations on Activities.

(a) JOHN MESISCA shall resign from FAMILY FIRST's Board of Directors, and the effective date of such resignation shall be no later than August 31, 1993. Thereafter, JOHN MESISCA shall not serve or act as a director of FAMILY FIRST.

(b) By no later than August 31, 1993, JOHN MESISCA shall cease serving as, and holding the title of, President of FAMILY FIRST, and thereafter shall not serve or act as an Executive Officer (as defined at paragraph 6 hereof) of FAMILY FIRST.

2. Fulfillment of Fiduciary Duties.

(a) JOHN MESISCA, whenever serving or acting as an officer, director, or other fiduciary of FAMILY FIRST or any other Insured Depository Institution (as defined at ¶ 6 hereof), shall fulfill his fiduciary duties owed to such institution.

(b) JOHN MESISCA, within thirty (30) days of issuance of this Order, shall:

(i) inform himself about the fiduciary duties of directors and officers of Insured Depository Institutions by, inter alia, carefully reading: (y) the booklet entitled The Director's Guide, The Role and Responsibilities of a Savings Institution Director (Federal Home Loan Bank of San Francisco); and (z) the OTS's Decision and Order No. AP 91-16, dated April 18, 1991, issued at the conclusion of In the Matter of Neil M. Bush (the "Neil Bush Decision");

(ii) read FAMILY FIRST's written policies and plans concerning avoidance of conflicts of interest; and

(iii) submit to the OTS a written certification, signed by JOHN MESISCA, that he has carefully reviewed said materials and has acquired a meaningful understanding of the duties of directors, officers and employees of Insured Depository Institutions.

(c) JOHN MESISCA, while an officer, director, other fiduciary, or employee of FAMILY FIRST and whenever an Institution-Affiliated Party (as defined at ¶ 6 hereof) with any other Insured Depository Institution shall:

(i) Obtain advice of competent and qualified counsel on his duties and responsibilities when particular issues arise that may cause JOHN MESISCA to be uncertain about either his responsibilities or matters of regulatory compliance;

(ii) Make full, accurate, and complete disclosure of facts known to him to said institution's Board of Directors (at a duly called meeting thereof at which a quorum is present) in connection with any transaction, disbursement, or other activity or event of said institution for which JOHN MESISCA has reason to believe that any director, officer, or controlling stockholder may obtain or experience (or has obtained or experienced) a direct or indirect benefit; and

(iii) Make full, accurate, and complete disclosure of all facts known to him about any transaction or other activity relating in any way to the affairs of FAMILY FIRST, whenever questioned by the OTS or any FAMILY FIRST officer or director

about said transaction or other activity.

3. Avoidance of Conflicts of Interest. JOHN MESISCA, while an officer, other fiduciary or employee of FAMILY FIRST and whenever an Institution-Affiliated Party of any Insured Depository Institution, shall refrain from engaging or participating in any acts, omissions, or practices involving any conflicts of interest, unsafe or unsound practices, or breaches of fiduciary duty with respect to such institution.

4. Compliance with Federal Laws and Regulations.

(a) JOHN MESISCA shall comply in all respects with: (i) Section 11 of the HOLA (12 U.S.C.A. § 1468); (ii) Sections 23A, 23B, and 22(f) of the Federal Reserve Act (12 U.S.C.A. §§ 371c, 371c-1, and 375b); (iii) the regulations, policy statements, and bulletins of the Federal Banking Agencies (as defined at paragraph 6 hereof) issued pursuant to the aforesaid laws or otherwise concerning conflicts of interest, including but not limited to 12 C.F.R. §§ 563.43 and 571.7 and 12 C.F.R. Part 215.

(b) JOHN MESISCA shall comply in all respects with 12 C.F.R. §§ 563.180 and 563.170(c) (and any successor regulations).

5. Civil Money Penalty Assessment. By no later than September 30, 1993, JOHN MESISCA shall pay a civil money penalty in the amount of Ten Thousand Dollars (\$10,000.00 U.S.) by delivering one or more certified or cashier's checks to the OTS' Enforcement Counsel, which check(s) shall be made payable to the order of the Treasurer of the United States.

6. Definitions. For the purposes of this Order the following definitions shall apply:

(a) "Executive Officer" has the meaning set forth at 12 C.F.R. § 215.2(d) (1993).

(b) "Federal Banking Agencies" means the OTS, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the successors of any of them.

(c) "Institution-Affiliated Party" has the meaning set forth at 12 U.S.C.A. § 1813(u) (West 1989).

(d) The phrase "Insured Depository Institution" shall (i) have the meaning set forth for "insured depository institution" at 12 U.S.C.A. § 1813(c)(2); and (ii) also apply to (x) any non-diversified holding company of any such institution; and (y) any subsidiary (including any service corporation or operating subsidiary) or joint venture of any such institution in which the institution has an equity interest of 25 percent or more.

(e) "Office of Thrift Supervision" or "OTS" refers to the office of that name within the United States Department of the Treasury that was established by section 3 of the HOLA (12 U.S.C.A. § 1462a), and its predecessors and any successors.

7. Effective Date. This Order shall be and is effective upon service on counsel for JOHN MESISCA.

SO ORDERED on this 17th day of August, 1993.

OFFICE OF THRIFT SUPERVISION

/s/

By: _____
Robert C. Albanese
Deputy Regional Director, Northeast