

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

**In the Matter of:**

**GREGORY S. CIPA,**

**Former President and Director of**

**FOX CHASE BANK,**

**Hatboro, Pennsylvania (OTS No. 02563)**

**Admin. Case No. OTS AP-06-01**

**OTS Orders No. AP-07-01 (8(e))  
and No. AP-07-02 (8(i)(2))**

**Issued: September 11, 2007**

**ORDER OF PROHIBITION**  
**AND FINAL ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES**

WHEREAS, the Office of Thrift Supervision (“OTS”) commenced the above-referenced proceedings against Gregory S. Cipa (“Cipa” or the “Respondent”) by issuing and serving a Notice of Intention to Prohibit and Notice of Charges and Hearing for Cease and Desist Order for Affirmative Relief and Notice of Assessment of Civil Money Penalties (the “Notice of Charges”); and

WHEREAS, in the Notice of Charges, the OTS has, *inter alia*, alleged that: (i) Respondent engaged in violations of law and regulation, unsafe or unsound practices, and breaches of fiduciary duty; (ii) by reason of such violations, practices, and/or breaches, the interests of Fox Chase Bank (“Bank”) have been or could be prejudiced and/or Respondent has received financial gain or other benefit; and (iii) such violations, practices, and/or breaches involve personal dishonesty on the part of Respondent or demonstrate willful or continuing disregard by Respondent for the safety or soundness of the Bank; and

WHEREAS, solely for the purpose of settling these proceedings, and without admitting or denying any of the allegations in the Notice of Charges, Respondent has executed the accompanying Stipulation and Consent of Gregory S. Cipa to Issuance of an Order of Prohibition and of a Final Order of Assessment of Civil Money Penalties (“Stipulation”); and

WHEREAS, Respondent, by his execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition and Final Order of Assessment of Civil Money Penalties (collectively the “Orders”) by the OTS, pursuant to Sections 8(e) and 8(i)(2) of the Federal Deposit Insurance Act (“FDI Act”), 12 U.S.C. §§ 1818(e) and 1818(i)(2); and

WHEREAS, the OTS, by and through the undersigned authorized representative thereof, has accepted Respondent's Stipulation, having determined that it has reason to believe that the allegations set forth in the Notice of Charges, if proven, constitute a basis upon which to issue the Orders under Sections 8(e) and 8(i)(2) of the FDI Act.

NOW, THEREFORE, the OTS hereby orders as follows:

**Order No. AP-07-01 – Order of Prohibition Issued Pursuant to 12 U.S.C. § 1818(e)**

1. (a) Cipa, except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," as that term is defined in 12 U.S.C. § 1818(e)(7)(B)(ii), is hereby prohibited from holding any office in, or participating in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A).<sup>1</sup>

(b) Cipa also shall not:

- (i) Solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution identified in 12 U.S.C. § 1818(e)(7)(A);
- (ii) Violate any voting agreement previously approved by the "appropriate Federal banking agency" (within the meaning of 12 U.S.C. § 1813(q)); or
- (iii) Vote for a director, or, except as otherwise provided by Paragraph 1(a) hereof, serve or act as an "institution-affiliated party", as that term is defined at 12 U.S.C. § 1813(u), *e.g.*, a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

**Order No. AP-07-02 – Final Order of Assessment of Civil Money Penalties**

2. Cipa is hereby assessed, pursuant to 12 U.S.C. § 1818(i)(2), and is directed to pay a civil money penalty in the amount of Ten Thousand Dollars (\$10,000.00 U.S.) in the manner required hereby. Respondent shall immediately make such payment by providing to the OTS (c/o its Regional Enforcement Counsel for the Northeast Region) a certified check, money order, or bank draft in the aforesaid amount made payable to the order of the Treasurer of the United States.

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<sup>1</sup> The institutions and agencies to which this prohibition applies includes: (i) Any insured depository institution, *e.g.*, savings and loan associations, savings banks, national banks, trust companies, and other banking institutions; (ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), *e.g.*, bank holding companies and their subsidiaries and S&L holding companies and their subsidiaries; (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.

**Related Ordering Provisions**

3. Respondent shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with the provisions of these Orders.

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

5. The Orders are and shall become effective immediately upon their issuance. The provisions of the Orders shall remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

SO ORDERED on this 11th day of September, 2007.

**OFFICE OF THRIFT SUPERVISION**

*s/ Michael E. Finn*

By: \_\_\_\_\_

Michael E. Finn

Regional Director, Northeast Region

(Pursuant to Delegated Authority)

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

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In the Matter of: )

Admin. Case No. OTS AP-06-01

GREGORY S. CIPA, )

Re: OTS Orders No. AP-07-01  
and No. AP-07-02

Former President and Director of )  
FOX CHASE BANK, )  
Hatboro, Pennsylvania (OTS No. 02563) )

Issued: September 11, 2007

**STIPULATION AND CONSENT OF GREGORY S. CIPA**  
**TO ISSUANCE OF AN ORDER OF PROHIBITION AND OF A FINAL ORDER OF**  
**ASSESSMENT OF CIVIL MONEY PENALTIES**

WHEREAS, the Office of Thrift Supervision (“OTS”), a bureau within the United States Department of the Treasury, in the exercise of authority conferred by the Federal Deposit Insurance Act (“FDIA”) and the Home Owners’ Loan Act (“HOLA”), on October 30, 2006, commenced the above-captioned adjudicatory proceedings (the “Administrative Proceedings”) against Gregory S. Cipa (“Cipa” or “Respondent”) by issuing and serving a Notice of Intention to Prohibit and Notice of Charges and Hearing for Cease and Desist Order for Affirmative Relief and Notice of Assessment of Civil Money Penalties (the “Notice of Charges”); and

WHEREAS, the Notice of Charges contains a written notice of the OTS’s intention to seek final agency orders against Respondent pursuant to Sections 8(b), 8(e), and 8(i)(2) of the FDIA, 12 U.S.C. §§ 1818(b), 1818(e), and 1818(i)(2); and

WHEREAS, in connection with the above-captioned Administrative Proceedings, on November 22, 2006, Respondent filed his Answer of Respondent Gregory S. Cipa and Request for Hearing Concerning Civil Money Penalty Assessment; and

WHEREAS, the evidentiary hearing of this matter is scheduled to be heard before an Administrative Law Judge starting on September 17, 2007;

WHEREAS, Respondent, desiring to cooperate with the OTS and to avoid the time and expense of administrative litigation, now wishes to settle the charges set out in the Notice of Charges without adjudication on the merits and for the purposes of settlement in accord with Federal Rules of Evidence 408; and

WHEREAS, Respondent, without admitting or denying the allegations of misconduct in the Notice of Charge, stipulates that the OTS has jurisdiction and authority to issue the accompanying Order of Prohibition and Final Order of Assessment of Civil Money Penalties (collectively the “Orders”).

NOW, THEREFORE, through this Stipulation and Consent of Gregory S. Cipa to Issuance of an Order of Prohibition and of a Final Order of Assessment of Civil Money Penalties (“Stipulation”), it is stipulated and agreed as follows:

1. Jurisdiction.

(a) Fox Chase Bank is a “savings association” within the meaning of 12 U.S.C. §§ 1813(b) and 1462(4). The deposits of Fox Chase Bank are insured by the Federal Deposit Insurance Corporation, pursuant to the Federal Deposit Insurance Act (“FDIA”), and, accordingly, it is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).

(b) Respondent was an officer and director of Fox Chase Bank, and is an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within 6 years of the date that the OTS issued the Notice of Charges (*see* 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” to maintain administrative proceedings, pursuant to 12 U.S.C. § 1818, against such institution-affiliated parties of a savings association. Therefore, Respondent is subject to the jurisdiction of the OTS to initiate and maintain administrative proceedings against him, pursuant to provisions of 12 U.S.C. § 1818, including, 12 U.S.C. §§ 1818(e) and 1818(i)(2). The Director of the OTS has issued delegation orders authorizing certain specified OTS representatives to issue consent orders on behalf of the OTS.

2. Consent. Respondent stipulates and consents to the issuance by the OTS of the Orders.

3. Settlement; Other Government Actions Not Affected. Respondent enters into this Stipulation and consents to the OTS’s issuance of the Orders for the purpose of settling, compromising, and completely resolving the Administrative Proceedings, including all of the charges set out in the Notice of Charges. Respondent acknowledges and agrees that his stipulation and consent to the issuance of the Orders is for the sole purpose of settling and resolving the above-captioned Administrative Proceedings, and such stipulation and consent does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Respondent, relative to his service at Fox Chase Bank, that may be or have been brought by any other Government entity or agency other than the OTS.

4. Acknowledgment of Availability of Criminal Sanctions. Respondent acknowledges that Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of OTS orders issued pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

5. Finality. The Orders are authorized and issued pursuant to Sections 8(e) and 8(i)(2) of the FDIA, 12 U.S.C. §§ 1818(e) and 1818(i)(2). The Orders are final orders, and such final orders are and shall be effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

6. Waivers. Respondent waives the following:

- (i) The right to an administrative hearing of the OTS's charges against him;
- (ii) The right to seek judicial review of the Orders, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Orders;
- (iii) The right to assert that the Administrative Proceedings, his consent to issuance of the Orders, and the issuance of the Orders 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; and
- (iv) Any and all claims for the award of fees, costs or expenses related to the Administrative Proceedings and/or the Orders, whether arising under common law or under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

7. Indemnification. Respondent represents that he has not received any indemnification or any other payments from, or on behalf of, Fox Chase Bank (or any subsidiary, holding company, or affiliate thereof) for any of Respondent's expenses, professional or otherwise, related to the Administrative Proceedings. In addition, Respondent shall not cause Fox Chase Bank (or any subsidiary, holding company, or affiliate thereof) to incur, directly or indirectly, any expense relative to his obligation to pay civil money penalties, or for any legal (or other

professional expenses) incurred by him relative to the Administrative Proceedings and/or this settlement thereof. Respondent also shall not obtain any indemnification or other reimbursement from Fox Chase Bank (or any subsidiary, holding company, or affiliate thereof) with respect to any such expenses or payments. Any such payments received by or on behalf of Respondent in connection with the Administrative Proceedings (including this settlement thereof) or the accompanying Orders shall be immediately returned to Fox Chase Bank (or the subsidiary, holding company, or affiliate that made such payment).

8. Miscellaneous.

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

(b) All references to the OTS in this Stipulation and in the Orders shall also mean any of the OTS's successors and assigns.

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

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

(e) This Stipulation and the Orders 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, Respondent, intending to be legally bound hereby, executes this Stipulation, which shall be effective as of the date of its acceptance by the OTS.

Accepted by:  
OFFICE OF THRIFT SUPERVISION  
By:

*s/ Gregory S. Cipa*

*s/ Michael E. Finn*

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GREGORY S. CIPA

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Name:  
Title: Regional Director Northeast Region

Date: 9-06-07, 2007

Date: September 11, 2007