

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION
OF THE
DEPARTMENT OF THE TREASURY

In the Matter of
DENNIS EDMONDSON,
Former Senior Vice
President and Chief
Lending Officer of
Plaistow Cooperative
Bank, Plaistow,
New Hampshire

Re: OTS Order NE94-3
Dated: January 24, 1994

ORDER OF PROHIBITION

WHEREAS, Dennis Edmondson ("Edmondson"), has executed a
Stipulation and Consent to Entry of Order of Prohibition
("Stipulation") on 1/4, 1994; and

WHEREAS, Edmondson by the execution of the Stipulation, has
consented and agreed to the issuance of this Order of
Prohibition ("Order") by the Office of Thrift Supervision
("OTS") pursuant to Section 8(e) of the Federal Deposit
Insurance Act ("FDIA"), 12 U.S.C. § 1818(e).

NOW THEREFORE, it is ORDERED that:

1. Edmondson is prohibited from further participation, in
any manner, in the conduct of the affairs of Plaistow

Cooperative Bank, Route 125 P.O. Box 158, Plaistow, New Hampshire 03865-0158 ("the Association") and any holding company, subsidiary, and/or service corporation thereof.

2. Edmondson shall not hold any office in, or participate in any manner in the conduct of the affairs of any federally regulated depository institution or other entities that are described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7), without the prior written approval of OTS (acting through its Director or an authorized representative thereof) and the "appropriate Federal financial institutions regulatory agency" for the federally regulated depository institution which is involved. Due to the operation of Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6), conduct prohibited by this Order without the said prior written approval of the OTS and of the "appropriate Federal financial institutions regulatory agency", also includes, without limitation: (1) the soliciting, procuring, transferring, attempting to transfer, voting or the attempting to vote any proxy, consent or authorization with respect to any voting rights in the institution described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A); and (2) voting for a director, or serving or acting as an institution-affiliated party.

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

4. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued.

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

THE OFFICE OF THRIFT SUPERVISION

By:

/s/

Angelo Vigna
Regional Director
Northeast Region

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STIPULATION AND CONSENT TO
ENTRY OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Dennis Edmondson, ("Edmondson") former Senior Vice President and Chief Lending Officer of Plaistow Cooperative Bank ("Plaistow"), Plaistow, New Hampshire, that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceeding against Edmondson pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), (12 U.S.C. § 1818(e)¹; and

1. All references in this Stipulation and Consent and the Order of Prohibition to the U.S.C. are as amended.

WHEREAS, Edmondson desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying the findings or conclusions contained herein, hereby stipulates and agrees to the following terms:

1. Jurisdiction and Facts.

(a) Plaistow is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b) and Section 2(4) of the Home Owners' Loan Act of 1933 ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Edmondson, as a former Senior Vice President and Chief Lending Officer of Plaistow, is deemed to be an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u), having served in such a capacity within 6 years of the date hereof. See 12 U.S.C. § 1818(i)(3).

(c) Pursuant to Section 3(q) of the FDIA, the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association and/or its institution-affiliated parties. Therefore, Edmondson is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

(d) Edmondson admits the jurisdiction of the OTS over him and over the subject matter of this action pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS finds that:

A. In 1988, Edmondson purchased land in a partnership with two borrowers of Plaistow, Messrs. Xenakis and McDonald. After purchasing this partnership interest, Edmondson subsequently recommended approval of loans to these individuals by Plaistow's board of directors without any credit analysis. Plaistow had substantial losses on loans to McDonald and Xenakis.

B. In July 1988, Edmondson recommended approval of an unsecured \$20,000 line of credit to his brother, David Edmondson. The line of credit was increased by over \$5,000 and renewed six times without any updated financial information. In March 1991, David Edmondson was permitted to draw on the line of credit despite being five months delinquent at the time. Plaistow has suffered losses of \$24,949 as a result of this loan.

In these transactions, Edmondson acted for his own personal benefit and contrary to the best interests of Plaistow. Edmondson took advantage of his position as Chief Lending Officer of Plaistow by recommending approval of loans to relatives and business partners without complying with minimum credit standards, extended and increased the loans despite delinquencies, failed to monitor the loans, failed to obtain updated financial information and failed to take corrective action as arrearages on the loans increased.

Through his actions, Edmondson violated laws and regulations, showed a willful and continuing disregard for the safety and soundness of Plaistow, engaged in unsafe and unsound practices and/or engaged in acts, omissions and/or practices that constituted self-dealing, breached the fiduciary duties he owed Plaistow and failed to take actions to protect the interests of Plaistow, its depositors, and the insurance fund;

Edmondson's actions constituted regulatory violations, unsafe or unsound practices, self-dealing, and breaches of fiduciary duty that resulted in substantial financial losses and damage to Plaistow.

3. Consent. Edmondson consents to the issuance of the accompanying Order, agrees to comply with its terms upon issuance, and stipulates that the Order complies with all the requirements of law.

4. Finality. The Order is issued by the OTS under Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance, by the Regional Director or designee for the Northeast Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. Edmondson waives the following:

(a) the right to be served with a written notice of the OTS's charges against him (referred to as a Notice of Intention to Prohibit) (see Section 8(e) of the FDIA); and

(b) the right to an administrative hearing of the OTS's charges against him (see Section 8(e) of the FDIA); and

(c) the right to seek judicial review of the Order, 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 Order.

6. OTS' decision to enter into this Stipulation and Order has been predicated in part upon financial representations made by Edmondson. Edmondson asserts that all information supplied by him to OTS was done in good faith and based upon his best knowledge, information, and belief. Edmondson understands that should OTS discover or learn from any source that the representations made by him in or concerning the financial statement were incorrect, including but not limited to the failure to identify and/or properly value any material asset, OTS reserves the right to take any action authorized by law, including, at its sole option, to impose civil money penalties under 12 U.S.C. § 1818(i), and/or to void the settlement reached between OTS and Edmondson, including this Stipulation and the Order.

7. Indemnification. Edmondson shall neither cause nor permit Plaistow (or any subsidiary thereof) to incur, directly or indirectly, any expense for any legal (or other professional expenses) incurred relative to the negotiation and issuance of the Order of Prohibition, nor obtain any indemnification (or other reimbursement) from Plaistow (or any subsidiary thereof) with respect to such amounts. Any such payments received by or on behalf of Edmondson in connection with this action shall be returned to Plaistow.

8. Other Government Actions Not Affected. Edmondson acknowledges and agrees that the consent to the entry of the Order is for the purposes of resolving this OTS enforcement matter only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Edmondson that arise pursuant to this action or otherwise, and that may be or have been brought by any government entity other than the OTS.

WHEREFORE, Edmondson executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound hereby.

By:

Accepted by:
Office of Thrift Supervision

/s/

Dennis Edmondson

/s/

Angelo Vigna
Northeast Region

Date: 1/21/94

Date: 1/21/94