

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

In the Matter of	)	
	)	Re: OTS Order No. NE93-26
MARIO ERRANTE,	)	
	)	Date: July 7, 1993
a director and stockholder of	)	
FAMILY FIRST FEDERAL SAVINGS	)	
BANK, Clifton, New Jersey	)	
_____	)	

STIPULATION AND CONSENT

This Stipulation and Consent is entered into by and between MARIO ERRANTE, a director and stockholder 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 attached CONSENT CEASE-AND-DESIST ORDER DIRECTING AFFIRMATIVE ACTION AND CONSENT ORDER OF CIVIL MONEY PENALTY ASSESSMENT (the "Order"). It is stipulated and agreed as follows:

1. Consideration. The OTS, based upon information derived from the OTS' investigation authorized by OTS Resolution No. EAST-91-2 (the "Investigation") and other exercises of its regulatory responsibilities, is of the opinion that the grounds exist to commence an administrative proceeding against MARIO ERRANTE 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(b) and 1818(i)(2) (West 1989 & Supp. 1993). MARIO ERRANTE desires to cooperate with the OTS and to avoid the time and expense of administrative litigation, and, for

the purposes of this settlement only, without either admitting or denying the factual or legal conclusions reached by the OTS or that such grounds exist, hereby stipulates and agrees to the terms of this Stipulation and Consent and to issuance of the accompanying Order in consideration for OTS forever releasing and discharging MARIO ERRANTE 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 be 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; and the Federal Home Loan Bank Board/Federal Home Loan Bank report for the federal regular examination commenced on March 20, 1989.

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) MARIO ERRANTE acknowledges that he has been: (i) a director and stockholder of FAMILY FIRST since November 1988; and (ii) an "institution-affiliated party" of FAMILY FIRST, within the meaning of 12 U.S.C.A. § 1813(u), at all pertinent times.

3. Consent. MARIO ERRANTE consents to the jurisdiction of the OTS and to issuance of the accompanying Order. MARIO ERRANTE 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). MARIO ERRANTE 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. MARIO ERRANTE, 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 MARIO ERRANTE 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 MARIO ERRANTE that arise pursuant to this action or otherwise, and that may be or have been brought by the Resolution Trust Corporation or any other governmental entity other than the OTS.

(b) MARIO ERRANTE acknowledges and agrees that this Stipulation and Consent, the OTS' issuance of the Order, and MARIO ERRANTE'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 MARIO ERRANTE (i) 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 MARIO ERRANTE 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. MARIO ERRANTE 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. Communications.

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

David B. Glazer, Esq.
Glazer & Luciano
19-21 W. Mt. Pleasant Ave. (Rte. 10)
Livingston, New Jersey 07039

(b) All payments, notices or other communications required or permitted to be sent by MARIO ERRANTE 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 MARIO ERRANTE 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.

8. 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 MARIO ERRANTE and the OTS, by and through its Director (or an appropriate designee).

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

/s/

MARIO ERRANTE

STATE OF New Jersey)
COUNTY OF Essex) SS:

On this 27th day of June, 1993, before me the subscriber, a Notary Public in and for the aforesaid State, personally appeared MARIO ERRANTE 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.

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

In the Matter of	)	
	)	OTS Order No. NE93-26
MARIO ERRANTE,	)	
	)	Date: July 7, 1993
a director and stockholder of	)	
FAMILY FIRST FEDERAL SAVINGS	)	
BANK, Clifton, New Jersey	)	
	)	

CONSENT CEASE-AND-DESIST ORDER
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:

MARIO ERRANTE, an accountant by profession, has been serving as a director of FAMILY FIRST since November 1988. MARIO ERRANTE has been the accountant for certain of FAMILY FIRST's directors, including Ronald L. Tobia, and their businesses.

ABK Enterprises is a New Jersey partnership organized to purchase and develop real estate, and its initial partners were persons affiliated with a FAMILY FIRST director. The minutes of FAMILY FIRST's June 1989 Board of Directors meeting show that MARIO ERRANTE and the other Board members 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, Ronald L. Tobia, FAMILY FIRST's Chairman and Chief Executive Officer told MARIO ERRANTE that FAMILY FIRST intended to make commercial loans of more than \$100,000 to ABK Enterprises. Mr. Tobia also informed MARIO ERRANTE that upon funding of the loans the partnership was going to

be reorganized to include Mr. Tobia and some other FAMILY FIRST directors. Mr. Tobia invited MARIO ERRANTE to join the ABK Enterprises partnership at that time, and MARIO ERRANTE accepted that invitation. MARIO ERRANTE did not question Mr. Tobia about the regulatory consequences of the proposed lending. Neither MARIO ERRANTE nor any other FAMILY FIRST director requested the bank's regulatory counsel to provide an opinion about the regulatory consequences of the proposed lending.

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, MARIO ERRANTE and other FAMILY FIRST directors became general partners of ABK Enterprises. Sixteen days later, FAMILY FIRST sold the two ABK loans to a company controlled by Ronald L. Tobia and another FAMILY FIRST director.

WHEREAS, the OTS is of the opinion that the grounds exist for the OTS to seek the issuance of certain agency orders against MARIO ERRANTE, 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, MARIO ERRANTE neither admits nor denies the allegations arising from the Investigation; and

WHEREAS, MARIO ERRANTE 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. Fulfillment of Fiduciary Duties.

(a) MARIO ERRANTE, within thirty (30) days of issuance of this Order, shall:

(i) inform himself about the fiduciary duties of

directors and officers of federally insured depository institutions by, inter alia, carefully reading: (x) the booklet entitled The Director's Guide, The Role and Responsibilities of a Savings Institution Director (Federal Home Loan Bank of San Francisco); (y) the OTS's booklet entitled Director Information Guidelines (OTS, Dec. 1989); 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 Plan for Avoidance of Conflicts of Interest; and

(iii) submit to the OTS a written certification, signed by MARIO ERRANTE, that he has carefully reviewed said materials and has acquired a meaningful understanding of the fiduciary duties of directors and officers of federally insured depository institutions.

(b) MARIO ERRANTE while serving as a director or officer of FAMILY FIRST or any other Insured Depository Institution (as defined at ¶ 6 hereof) shall fulfill his fiduciary duties owed to such institution.

(c) MARIO ERRANTE, while a director of FAMILY FIRST and upon becoming an Institution-Affiliated Party (as defined at ¶ 6 hereof) with any other Insured Depository Institution shall:

(i) Obtain advice of competent counsel on his duties and responsibilities, upon accepting such position and when particular issues arise that may cause MARIO ERRANTE to be uncertain about his responsibilities; and

(ii) In connection with any transaction, disbursement, or other activity or event of the Insured Depository Institution which MARIO ERRANTE has reason to believe that any director, officer, or controlling stockholder may obtain or experience a direct or indirect benefit, MARIO ERRANTE shall make full disclosure of the facts known to him and his concern about this to said institution's Board of Directors, at a duly called meeting thereof at which a quorum is present.

2. Avoidance of Conflicts of Interest. MARIO ERRANTE, while a director 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.

3. Compliance with Federal Laws and Regulations. MARIO ERRANTE 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 of the federal banking agencies issued pursuant to the aforesaid laws, including but not limited to 12 C.F.R. § 563.43 and 12 C.F.R. Part 215; and (iv) 12 C.F.R. § 571.7.

4. Activity Restrictions.

(a) MARIO ERRANTE, within thirty (30) days following his receipt from the OTS of a written request for his resignation from the Board of Directors of FAMILY FIRST, shall: (i) resign from serving as a director of FAMILY FIRST; and (ii) not serve

thereafter as an Institution-Affiliated Party of FAMILY FIRST except following his receipt of a written notice of non-objection thereto issued by the OTS, in its sole discretion, upon a written application therefor submitted by MARIO ERRANTE.

(b) MARIO ERRANTE shall not serve as a director of any Insured Depository Institution if, during the preceding six (6) months, MARIO ERRANTE provided professional services to (i) any director or Executive Officer of said institution, or (ii) to any Company under the Control of any director or Executive Officer of said institution; provided, however, that the requirements of this paragraph 4(b) do not require MARIO ERRANTE to discontinue serving on the Board of Directors of FAMILY FIRST.

5. Civil Money Penalty Assessment. Immediately upon issuance of this Order, MARIO ERRANTE shall pay a civil money penalty in the amount of Five Thousand Dollars (\$5,000.00 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) "Company" means any corporation, partnership, trust, (business or otherwise), association, joint venture, pool syndicate, sole proprietorship, unincorporated organization, or any other form of business entity not specifically listed herein.

(b) "Control" has the meaning set forth at 12 C.F.R. § 215.2(b) (1993).

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

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

(e) 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 or joint venture of any such institution in which the institution has an equity interest of 25 percent or more.

7. Effective Date. This Order shall be and is effective upon the date of issuance shown below.

SO ORDERED on this 7th day of July, 1993.

OFFICE OF THRIFT SUPERVISION

By: /s/
Robert C. Albanese
Deputy Regional Director
Northeast Region