

UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In The Matter Of:

Danielson Federal Savings
and Loan Association
Danielson, Connecticut

OTS No. 02219

Re: Resolution No. NE92-040
Date: April 7, 1992

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Regional Director for the Northeast Regional Office ("Regional Director") and Danielson Federal Savings and Loan Association ("Danielson" or the "Institution"), hereby stipulate and agree as follows:

1. Consideration

The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Danielson pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. 1818(b). Danielson, desiring to cooperate with the OTS and to avoid the time and expense of such administrative proceedings or litigation, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease and desist proceedings or litigation against Danielson with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction

Danielson is a "savings association" and a "federal savings association" within the meaning of Section 3(b)(1) and (2) of the FDIA, 12 U.S.C. 1813(b)(1) and (2) and Section 2(4) and (5) of the Home Owners' Loan Act, 12 U.S.C. 1462(4) and (5). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c)(2) of the FDIA, 12 U.S.C. 1813(c)(2). Pursuant to Section 3(q)(4) of the FDIA, 12 U.S.C. 1813(q)(4), the Director of OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association. Therefore, Danielson is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against it pursuant to Section 8(b) of the FDIA, 12 U.S.C. 1818(b).

3. Consent

Danielson consents to the issuance by the OTS of the Order. It 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 under Section 8(b) of the FDIA, 12 U.S.C. 1818(b), and upon its issuance, shall be a final order, effective and fully enforceable by the OTS under Section 8(i) of the FDIA, 12 U.S.C. 1818(i).

5. Waivers

Danielson waives its right to a notice of charges and the administrative hearing provided by Section 8(b)(1) of the FDIA, 12 U.S.C. 1818(b)(1), and further waives any right to seek judicial review of the Order, including 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.

WHEREFORE, in consideration of the foregoing, the OTS and Danielson by a majority of its board of directors, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

DANIELSON FEDERAL SAVINGS AND LOAN
By a majority of its
Board of Directors:

By: /S/
Angelo A. Vigna
Regional Director
Northeast Regional Office

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ORDER TO CEASE AND DESIST

WHEREAS, Danielson Federal Savings and Loan Association ("Danielson" or the "Institution"), through its Board of Directors ("Board"), has executed a Stipulation and Consent to Issuance of Order to Cease and Desist ("Stipulation"), which is incorporated herein by reference and is accepted and approved by the Office of Thrift Supervision ("OTS") acting through its Regional Director for the Northeast Regional Office ("Regional Director"); and

WHEREAS, the Institution, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. 1818(b);
NOW THEREFORE, IT IS ORDERED that:

A. Petrowsky Line

1. Danielson shall not enter into any agreement to extend credit, directly or indirectly, to Jonathan or Nathan Petrowsky, individually or to any entities owned or controlled, directly or indirectly, by either of these individuals (collectively the "Petrowsky entities").

2. Danielson shall not enter into any agreement to modify and/or restructure existing credit, directly or indirectly, to the Petrowsky entities without the prior written consent of the Regional Director or his designee.

3. Within thirty (30) of the effective date of this Order, Danielson shall develop and submit to the Regional Director for review a detailed plan for the reduction of all outstanding loans and extensions of credit to the Petrowsky entities.

B. Progress Reports

4. Within thirty (30) days of the effective date of this Order, and, thereafter, within thirty (30) days from the end of each calendar quarter, Danielson shall furnish written status reports to the Regional Director or his designee detailing what action has been taken to secure compliance with this Order and the results thereof. In addition, the Institution shall furnish such reports more frequently on request of the Regional Director. All status reports and other written responses to this Order shall be reviewed by the Board and made a part of the Board's minutes.

C. Effective Date and Effect of Order

5. This Order shall become effective upon execution by the Regional Director, and shall remain effective and enforceable until such time as any provisions thereof shall

have been modified, terminated, suspended, and or set aside
by the Regional Director.

THE OFFICE OF THRIFT SUPERVISION

/S/

Angelo A. Vigna
Regional Director
Northeast Regional Office