

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of

John A. Bahrs, Thomas S. Beers,
George W. Butler, J. Crawford
Compton, Jr. and
W. Stanley Conover,
former institution-affiliated
parties of Marine View Federal
Savings Bank, Middletown, New
Jersey (formerly known as Marine
View Savings Bank, SLA)

Re: Northeast Regional
Director
Resolution No. NE-92-50

Dated: May 14, 1992

STIPULATION and CONSENT TO ISSUANCE OF AN
ASSESSMENT OF CIVIL MONEY PENALTIES

This Stipulation is entered into by and between the Office of Thrift Supervision ("OTS") and John A. Bahrs ("Bahrs"), Thomas S. Beers ("Beers"), George W. Butler ("Butler"), J. Crawford Compton, Jr. ("Compton") and W. Stanley Conover ("Conover").

1. Recitals and Consideration.

WHEREAS, the OTS examines, regulates, and supervises savings associations and their institution-affiliated parties pursuant to the Home Owners' Loan Act ("HOLA"), 12 U.S.C. §§1461 et seq. and, with respect to such savings associations and parties, is the appropriate Federal banking agency to exercise the enforcement powers set forth at Section 8 of the Federal Deposit Insurance Act ("FDIA"), as amended, 12 U.S.C. §1818; and

WHEREAS, Marine View Federal Savings Bank, formerly known as Marine View Savings Bank, SLA, Middletown, New Jersey (the "Association") is a savings association subject to the regulatory authority of the OTS; and

WHEREAS, each of Bahrs, Beers, Butler, Compton and Conover was a member of the Board of Directors of the

Association, from 1963, 1978, 1970, 1964 and 1978, respectively, until November 1, 1991, when a receiver was appointed by the OTS for the Association; and

WHEREAS, based on information obtained by the OTS in the course of a regular examination of the Association commencing July 29, 1991, the OTS is of the opinion that the grounds exist to initiate an administrative civil money penalty assessment proceeding against each of Bahrs, Beers, Butler, Compton and Conover pursuant to Section 8(i)(2) of the FDIA, 12 U.S.C. § 1818(i)(2); and

WHEREAS, each of Bahrs, Beers, Butler, Compton and Conover, desiring to cooperate with the OTS to avoid the time and expense of such administrative litigation, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative civil money penalty assessment litigation against him with respect to the following specified matters, which, in the opinion of the OTS, would authorize the OTS to exercise its authority against him under Sections 8(i)(2)(A) and (B) of the FDIA, 18 U.S.C.A. §§1818(i)(2)(A) and 1818(i)(2)(B), but as to which he, by making such stipulation and agreement, does not admit or deny any violation of applicable laws or regulations, or liability therefor: namely, the breach of his fiduciary duty to the Association and his participation in and/or responsibility for causing the Association to engage in violations of federal and state laws and regulations, specifically: (i) the failure to prevent and then the failure to correct the Association's excess investment in six joint venture real estate projects (collectively, the "Joint Venture Investments") in violation of Section 545.74 of the OTS Regulations, 12 C.F.R. §545.74, N.J.S.A. 17:12B-48(21) and N.J.S.A. 17:12B-165(7)(b); (ii) the failure to have the Association obtain the consent of the New Jersey State Department of Banking to engage in investments in excess of the statutorily prescribed limits as prescribed by Section 3:27-4.6 of the New Jersey Administrative Code; (iii) the failure to have the Association timely file a divestiture plan with the Federal Deposit Insurance Corporation (the "FDIC") as required by Section 303.13(d)(1) of the FDIC Regulations, 12 C.F.R. §303.13(d)(1); and (iv) the failure to develop and implement adequate underwriting, inspection and loan disbursement procedures in connection with the Joint Venture Investments.

2. Jurisdiction. Each of Bahrs, Beers, Butler, Compton and Conover acknowledges that he was an "institution-affiliated party" of the Association, within the meaning of 12 U.S.C. §1813(u). Each of Bahrs, Beers,

Butler, Compton and Conover further acknowledges that he is subject to the authority of the OTS to commence and maintain a civil money penalty assessment proceeding against him pursuant to 12 U.S.C. §§ 1818(i)(2)(A) and (B), as the OTS is the "appropriate Federal banking agency," within the meaning of 12 U.S.C. §1813(q)(4), to exercise enforcement authority with respect to savings associations and their institution-affiliated parties.

3. Consent. Each of Bahrs, Beers, Butler, Compton and Conover hereby consents to the issuance by the OTS of the attached Order of Assessment of Civil Money Penalties ("CMP Order"), further agrees to comply with the terms of the CMP Order upon its issuance, and stipulates that the CMP Order complies with all requirements of law. By entering into this Stipulation and by his payment of any monies as contemplated by the CMP Order, he neither admits nor denies any violation of applicable laws or regulations, or liability therefor, and the OTS acknowledges and agrees that he is not thereby admitting to or denying any violation of applicable laws or regulations, or any liability therefor.

4. Finality. The CMP Order is issued under Sections 8(i)(2)(A) and (B) of the FDIA, 12 U.S.C. §§1818(i)(2)(A) and (B). Upon its issuance by the OTS, the CMP Order 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. Each of Bahrs, Beers, Butler, Compton and Conover, following consultation with counsel, hereby waives the following rights:

- (A) the right to be served with a written notice of assessment pursuant to Section 8(i)(2)(E) of the FDIA, 12 U.S.C. §1818(i)(2)(E);
- (B) the right to an administrative hearing pursuant to Section 8(i)(2)(H) of the FDIA, 12 U.S.C. §1818(i)(2)(H); and
- (C) the right to appeal the issuance of the CMP Order pursuant to Section 8(h) of the FDIA, 12 U.S.C. §1818(h), or otherwise to challenge the validity of the CMP Order.

6. Other Actions, Proceedings and Parties. By entering into this Stipulation, each of Bahrs, Beers, Butler, Compton and Conover acknowledges and agrees explicitly that:

A. This proceeding, the assessment or payment of the penalty contemplated as part of the resolution thereof, and his consent to the entry of the CMP Order are for the purposes of resolving this OTS enforcement matter only, and do not resolve, affect or preclude any other civil or criminal proceeding which may be or have been brought against him by the OTS or by another governmental entity.

B. He will not assert the assessment or payment of this 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.

C. This Stipulation, the CMP Order and his payment of any monies or providing any other financial relief as contemplated by the CMP Order, does not compromise, settle, dismiss, resolve, or in any way affect any civil actions, charges against him, or his liability 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.

7. Nondischargeability in Bankruptcy. Each of Bahrs', Beers', Butler's, Conover's and Compton's respective obligations to pay civil money penalties pursuant to this Stipulation and the CMP Order shall not be dischargeable in bankruptcy under any circumstances.

8. Indemnification. Each of Bahrs, Beers, Butler, Compton and Conover shall neither cause nor permit the Association (or any subsidiary thereof) to incur, directly or indirectly, any expense for the amount of the civil money penalties assessed under the CMP Order or any legal (or other professional) expenses incurred relative to the negotiation and issuance of the CMP Order, nor obtain any indemnification (or other reimbursement) from the Association (or any subsidiary thereof) with respect to such amounts.

9. Counterparts. This Stipulation may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

WHEREFORE, the OTS and Bahrs, Beers, Butler, Compton and Conover hereby execute this Stipulation as of this date written above.

OFFICE OF THRIFT SUPERVISION
By:

/S/

Angelo A. Vigna
Regional Director
Northeast Regional Office

/S/

JOHN A. BAKRS

/S/

J. CRAWFORD COMPTON, JR.

/S/

THOMAS S. BEERS

/S/

W. STANLEY CONOVER

/S/

GEORGE W. BUTLER

UNITED STATES OF AMERICA
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In the Matter of

John A. Bahrs,
Thomas S. Beers,
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J. Crawford Compton, Jr. and
W. Stanley Conover,
former institution-affiliated
parties of Marine View Federal
Savings Bank, Middletown, New
Jersey (formerly known as Marine
View Savings Bank, SLA)

Re: Northeast Regional Director
Resolution No. NE-92-50

Dated: May 14, 1992

ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, John A. Bahrs ("Bahrs"), Thomas S. Beers ("Beers"), George W. Butler ("Butler"), J. Crawford Compton, Jr. ("Compton") and W. Stanley Conover ("Conover") were each an institution-affiliated party of Marine View Savings Bank, SLA, now known as Marine View Federal Savings Bank, Middletown, New Jersey (the "Association"), a savings association regulated by the Office of Thrift Supervision ("OTS"), pursuant to the Home Owners' Loan Act, 12 U.S.C. §§1461 et seq.; and

WHEREAS, each of Bahrs, Beers, Butler, Compton and Conover have executed the attached Stipulation and Consent to Issuance of an Assessment of Civil Money Penalties (the "Stipulation"), which is incorporated herein by this reference and has been accepted and approved by the OTS by and through the undersigned Regional Director; and

WHEREAS, each of Bahrs, Beers, Butler, Compton and Conover, by execution of the Stipulation, has consented and agreed to the issuance of this Order of Assessment of Civil Money Penalties (the "CMP Order"), pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. §1818(i)(2).

NOW THEREFORE, IT IS ORDERED THAT within five (5) business days of the effective date of this CMP Order, each of Beers, Butler, Conover and Crawford shall pay to the OTS a sum in the amount of Seven Thousand Dollars (\$7,000.00), and Bahrs shall pay to the OTS a sum in the amount of Five Thousand Dollars (\$5,000.00) by each tendering a certified check to the OTS in the specified amount made payable to the order of the Treasurer of the United States. The check shall be sent to the the following address:

Controller's Division
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552

A copy of the transmittal letter to the Controller's Division, along with evidence of the payment, shall be sent to:

Susan K. Fischer, Senior Attorney
Office of Thrift Supervision
10 Exchange Place, 18th floor
Jersey City, New Jersey 07302

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION
By:

/S/

Angelo A. Vigna
Regional Director
Northeast Region