

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of) Douglas G. Allen, William R. Byer,) John P. Dietz, Nelson J. Goodman,) Willard M. Henkelman, Douglas V.) Lane, Dr. John W. Scheuer,) institution-affiliated parties of) Citizens Savings Association)	Re: Northeast Regional Director Resolution No. NE92- <u>67</u> Dated: July 13, 1992
--	--

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

This Stipulation and Consent to Issuance of an Assessment of Civil Money Penalties ("Stipulation") is entered into by and between the Office of Thrift Supervision ("OTS") and Douglas G. Allen ("Allen"), William R. Byer ("Byer"), John P. Dietz ("Dietz"), Nelson J. Goodman ("Goodman"), Willard M. Henkelman ("Henkelman"), Douglas V. Lane ("Lane"), and Dr. John W. Scheuer ("Scheuer").

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, Citizens Savings Association, Clarks Summit, Pennsylvania (the "Association") is a savings association subject to the regulatory authority of the OTS; and

WHEREAS, each of Allen, Byer, Dietz, Goodman, Henkelman, Lane, and Scheuer and has been a member of the Board of Directors of the Association, from 1975, 1972, 1988, 1978, 1946, 1978, 1946, respectively, to the present, and

WHEREAS, based on information obtained by the OTS in the course of a regular examination of the Association commencing April 8, 1991, the OTS is of the opinion that the grounds exist to initiate an administrative civil money penalty assessment proceeding against each of Allen, Byer, Dietz, Goodman, Henkelman, Lane and Scheuer pursuant to Section 8(i)(2) of the FDIA, 12 U.S.C. §1818(i)(2); and

WHEREAS, each of Allen, Byer, Dietz, Goodman, Henkelman, Lane, and Scheuer, 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), namely, his failure to comply, or failure to adequately oversee the Association's compliance, with (a) certain provisions of the Order to Cease and Desist dated July 17, 1990 between Citizens Savings Association and OTS, as more specifically described in the April 8, 1991 Report of Examination, and (b) applicable laws and/or regulations for which the Board and/or the Association has been cited for repeat violations, as more specifically described in the April 8, 1991 Report of Examination. However, by so entering the agreement, the undersigned directors are not admitting any wrongdoing or failure to comply with any OTS Order.

2. Jurisdiction. Each of Allen, Byer, Dietz, Goodman, Henkelman, Lane, and Scheuer acknowledges that he was and is an "institution-affiliated party" of the Association, within the meaning of 12 U.S.C. §1813(u). Each of Allen, Byer, Dietz, Goodman, Henkelman, Lane and Scheuer 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 Allen, Byer, Dietz, Goodman, Henkelman, Lane and Scheuer 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.

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 Allen, Byer, Dietz, Goodman, Henkelman, Lane, and Scheuer 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 Allen, Byer, Dietz, Goodman, Henkelman, Lane, and Scheuer 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 Allen's, Byer's, Dietz's, Goodman's, Henkelman's, Lane's, and Scheuer'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 Allen, Byer, Dietz, Goodman, Henkelman, Lane, and Scheuer 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, in consideration of the foregoing, the OTS and Allen, Byer, Dietz, Goodman, Henkelman, Lane, and Scheuer hereby execute this Stipulation as of this date written above.

OFFICE OF THRIFT SUPERVISION

By:

for

/s/
Angelo A. Vigna
Regional Director
Northeast Regional Office

/s/
Douglas G. Allen

/s/
John P. Dietz

/s/
William H. Henkelman

/s/
John W. Scheuer

/s/
William R. Byer

/s/
Nelson J. Goodman

/s/
Douglas V. Lane

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)	
Douglas G. Allen, William R. Byer,)	
John P. Dietz, Nelson J. Goodman,)	Re: Northeast Regional
Willard M. Henkelman, Douglas V.)	Director Resolution
Lane, Dr. John W. Scheuer,)	No. NE92-67
institution-affiliated parties of)	Dated: July 13, 1992
Citizens Savings Association)	

ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, Douglas G. Allen ("Allen"), William R. Byer ("Byer"), John P. Dietz ("Dietz"), Nelson J. Goodman ("Goodman"), Willard M. Henkelman ("Henkelman"), Douglas V. Lane ("Lane"), and Dr. John W. Scheuer ("Scheuer") each is an institution-affiliated party of Citizens Savings Association, Clarks Summit, Pennsylvania (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 Allen, Byer, Dietz, Goodman, Henkelman, Lane, and Scheuer has 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 Allen, Byer, Dietz, Goodman, Henkelman, Lane, and Scheuer 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).

