

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

Herbert C. Hermann)

a former institution-affiliated)
party of South Bergen)
Savings and Loan Association,)
Wood-Ridge, New Jersey)
_____)

Re: Northeast Regional Director
Resolution No. JC-91-22

Dated: October 10, 1991

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

This Stipulation is entered into by and among the Office of Thrift Supervision ("OTS") and Herbert C. Hermann (the "Respondent").

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.A. §§ 1461 et seq. (West 1989), 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.A. § 1818 (West 1989); and

WHEREAS, South Bergen Savings and Loan Association ("South Bergen"), Wood-Ridge, New Jersey, is a savings association subject to the regulatory authority of the OTS; and

WHEREAS, Herbert C. Hermann was President of South Bergen

from 1983 until his resignation on September 30, 1989;

WHEREAS, based on information reported to the OTS in the report of its examination of South Bergen as of September 5, 1990 (the "1990 Exam Report"), the OTS is of the opinion that the grounds exist to initiate an administrative civil money penalty assessment proceeding against the Respondent pursuant to Section 8(i)(2) of the FDIA, 12 U.S.C.A. § 1818(i)(2) (West 1989); and

WHEREAS, the Respondent desires 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 the Respondent with respect to unauthorized use of bank funds to pay for personal traveling or other conduct that, in the opinion of the OTS, would authorize the OTS to exercise its authority against any such party under Sections 8(e) and 8(i)(2)(B) and (C) of the FDIA, 12 U.S.C.A. §§ 1818(e), (i)(2)(B), (i)(2)(C) (West 1989).

2. Jurisdiction. The Respondent acknowledges that he was an "institution-affiliated party" of South Bergen, within the meaning of 12 U.S.C.A. 1813(u) (West 1989). The Respondent 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.A. § 1818(i)(2)(A) (West 1989), as the OTS is the "appropriate Federal banking agency," within the meaning of 12 U.S.C.A. § 1813(q)(4) (West 1989), to exercise enforcement authority with respect to savings associations and their institution-affiliated parties.

3. Consent. The Respondent hereby consents to the issuance by the OTS of the attached Order of Assessment of Civil Money Penalties ("CMP Order"). The Respondent 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 Section 8(i)(2)(A) of the FDIA, 12 U.S.C. § 1818(i) (West 1989). 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.

5. No Indemnification. The Respondent shall neither cause or permit South Bergen (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 South Bergen (or any subsidiary thereof) with respect to such amounts.

6. Waivers. The Respondent, following consultation with counsel, hereby waives the following rights:

- (1) 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.A. § 1818(i)(2)(E) (West 1989);
- (2) the right to an administrative hearing pursuant to Section 8(i)(2)(H) of the FDIA, 12 U.S.C.A. § 1818(i)(2)(H) (West 1989); and
- (3) the right to appeal the issuance of the CMP Order

pursuant to Section 8(h) of the FDIA, 12 U.S.C.A. § 1818(h) (West 1989), or otherwise to challenge the validity of the CMP Order.

WHEREFORE, the OTS and the Respondent hereby execute this Stipulation as of this 10th day of October 1991.

OFFICE OF THRIFT SUPERVISION
By:

THE RESPONDENT

/S/

/S/

Angelo A. Vigna
Regional Director
Northeast Regional Office

Herbert C. Hermann

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Re: Northeast Regional Director
Resolution No. JC-91-22
Dated: October 10, 1991

ORDER OF ASSESSMENT OF
CIVIL MONEY PENALTIES

WHEREAS, Herbert C. Hermann (the "Respondent") was an institution-affiliated party of South Bergen Savings and Loan Association, Wood-Ridge, New Jersey, a savings association regulated by the Office of Thrift Supervision ("OTS"), pursuant to the Home Owners' Loan Act; and

WHEREAS, the Respondent 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, the Respondent, 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.A. § 1818(i)(2) (West 1989).

NOW THEREFORE, IT IS ORDERED THAT within five (5) business days of the effective date of this CMP Order, the Respondent shall pay to the OTS a sum in the amount of Five Thousand

Dollars (\$5,000.00), by tendering a certified check to the OTS in that amount made payable to the order of the Treasurer of the United States, which check shall be delivered to:

Faith S. Hochberg, Esq.
Senior Deputy Chief Counsel
Office of Thrift Supervision
10 Exchange Pl., 17th Floor
Jersey City, New Jersey 07302

IT IS SO ORDERED on this 10th day of October, 1991.

OFFICE OF THRIFT SUPERVISION
By:

/S/

Ange/o A. Vig/a
Regional Director