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UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of	)	
	)	Re: Order No. NE 07-12
SUNNYSIDE FS&LA OF IRVINGTON	)	Date: September 14, 2007
Irvington, New York (OTS No. 2397)	)	

STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER TO CEASE AND DESIST

This Stipulation and Consent to Issuance of an Order to Cease and Desist ("Stipulation"), which concerns the accompanying and above-referenced Order to Cease and Desist (the "Order"), is submitted by **SUNNYSIDE FS&LA OF IRVINGTON,** Irvington, New York (the "Savings Association", OTS No. 02397), to the Office of Thrift Supervision ("OTS"), which is acting through its Northeast Regional Director;

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed the Savings Association that the OTS is of the opinion that grounds exist to initiate administrative proceedings against the Savings Association pursuant to 12 U.S.C. § 1818;[1] and

WHEREAS, the Savings Association, desiring to cooperate with the OTS to avoid the time and expense of such administrative proceedings and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) SUNNYSIDE FS&LA OF IRVINGTON is a "savings association" within the meaning of 12 U.S.C. § 1813(b), and 12 U.S.C. § 1462(4). Accordingly, the Savings Association is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain administrative enforcement proceedings against savings associations. Therefore, the Savings Association is subject to the authority of the OTS to initiate and maintain administrative cease-and-desist proceedings against it pursuant to 12 U.S.C. § 1818(b).

[1] All references in this Stipulation and in the Order are to the United States Code as amended.

may be or have been brought by any other government entity other than the OTS. The Savings Association further acknowledges and understands that its stipulation and consent to issuance of the Order only settles contemplated cease-and-desist proceedings, pursuant to 12 U.S.C. § 1818(b), that the OTS has indicated that it could have started based on its findings summarized at paragraph 2 of this Stipulation.

7. **Miscellaneous.**

(a) The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS' predecessors, successors, and assigns.

(c) The section and paragraph headings in this Stipulation and the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Order.

(d) The terms of this Stipulation and of the Order represent the final written agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

(e) This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

WHEREFORE, the Savings Association executes this Stipulation, intending to be legally bound hereby.

SUNNYSIDE FS&LA OF IRVINGTON

By: *__/s/ James R. Roy__*
James R. Roy
President and Chief Executive Officer

Date: September 12, 2007

Accepted by:
OFFICE OF THRIFT SUPERVISION

By: *__/s/ Michael E. Finn__*
Michael E. Finn
Regional Director

Date: See the date in the caption hereof

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of	)	Order No. NE 07-12
SUNNYSIDE FS&LA OF IRVINGTON	)	Date: September 14, 2007
Irvington, New York (OTS No. 02397)	)	

ORDER TO CEASE AND DESIST

WHEREAS, **SUNNYSIDE FS&LA OF IRVINGTON,** Irvington, New York (the "Savings Association") has executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist ("Stipulation"); and

WHEREAS, the Savings Association, by its execution of the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to 12 U.S.C. § 1818(b);[1] and

WHEREAS, the Director of the Office of Thrift Supervision ("OTS") has delegated to the Regional Directors of the OTS the authority to issue consent orders on behalf of the OTS pursuant to provisions of Section 8 of Federal Deposit Insurance Act, 12 U.S.C. § 1818.

NOW, THEREFORE, IT IS ORDERED THAT:

1. Compliance With Laws and Regulations.

The Savings Association and its directors, officers, employees, and agents shall cease and desist from any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling or the aiding and abetting of any violation of:

(a) 12 C.F.R. § 563.177 (Procedures for monitoring Bank Secrecy Act (BSA) compliance);

(b) 12 CFR § 567.4 (Minimum Appraisal Standards);

(c) 12 CFR § 572.6 (Required Use of Standard Flood Hazard Determination Form);

(d) 12 CFR §§ 226.18 & 23 (Truth in Lending);

(e) 12 CFR §§ 230.4, 5, & 8 (Truth in Savings); and

[1] All references to the United States Code ("U.S.C.") are as amended, unless otherwise indicated.

(f) 24 CFR § 3500.21 (Mortgage Servicing Transfers).

2. Revision of Anti-Money Laundering/BSA Compliance Program.

The Savings Association shall take all action necessary to ensure its immediate, full, and uninterrupted compliance with the requirements of 12 C.F.R. § 563.177, including (without limitation) the independent testing requirement in § 563.177(c)(2). Such independent testing shall:

(a) be completed annually, no later than June 30th of each calendar year,

(b) proceed in accordance with guidance set forth at pages 30-31 of the Federal Financial Institutions Examination Council ("FFIEC") *Bank Secrecy Act/Anti-Money Laundering Examination Manual*,[2] and

(c) be fully documented in a written report that is presented to the Board of Directors.

3. Creation of Business Plan, Including Budget.

The Savings Association shall develop, adopt and implement an appropriate written 3-year Business Plan and Budget ("Business Plan") that is acceptable to the OTS. The Business Plan must be approved by the Savings Association's board of directors ("Board") and serve as a blueprint to guide the Savings Association's future operations. The objective and guiding principle of the Business Plan shall be to provide a higher level of stable and sustainable sources of core income such that the Savings Association attains core profitability.

(a) By October 31, 2007 (or such later date as may be permitted in writing by the OTS), the Savings Association shall submit to the OTS its proposed initial 3-year Business Plan. The submitted Business Plan must address the fourth quarter of 2007, as well as calendar years 2008, 2009 and 2010.

(b) To be acceptable to the OTS, at a minimum, the Business Plan shall contain the following elements:

(i) An analysis of the Savings Association's current financial condition and an assessment of its strengths and weaknesses. This shall include a discussion of the Savings Association's current financial condition and its performance relative to its peer group[3] in the following areas: capital, earnings, asset quality, and interest rate risk, taking into account the comments in OTS' report of its examination of the Savings Association commenced April 2, 2007;

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[2] Located at http://www.ffiec.gov/bsa_aml_infobase/default.htm.

[3] Peer group information is available in the Uniform Thrift Performance Report ("UTPR"), which may be obtained from OTS.

(ii) The Board's general business philosophy, strategic goals, and objectives for the three-year period, and the means by which the Savings Association will achieve those strategic goals and objectives. In formulating its goals and objectives, the Savings Association shall consider whether the Savings Association should enhance its residential mortgage and consumer lending capabilities;

(iii)A detailed description of all new activities, and the risks attendant to such activities, that the Savings Association intends to engage in during the term of the Business Plan. In conjunction with its development of the Business Plan, management should analyze and address marketing/advertising, staffing, and infrastructure needs. In addition, the Board should evaluate the capabilities of senior management to implement the Business Plan. The Business Plan should include a timeframe for implementation of the action plans for any new activities, designed to ensure that they are conducted prudently and in a safe and sound manner;

(iv)A return to profitability on a core-operating basis, as defined by the UTPR, during the term of the Business Plan. The Business Plan should establish definitive quarterly[4] targets for increasing core profitability (stated in terms of core income before provisions),[5] such that consistent improvement is noted throughout the Business Plan period. At a minimum, the targets should include reduced non-interest expense levels as a percentage of average assets.[6] In determining these targets, the Board shall review the Savings Association's existing personnel and determine the Savings Association's current and future staffing needs based upon the Savings Association's current and projected operations under the Business Plan. This review will be conducted utilizing the services of a qualified independent third party, which shall be acceptable to the OTS (as indicated by written notice from the Regional Director or his designee) to review all aspects of the Savings Association's operations, with particular emphasis on the high compensation expense for a branch operation that has engaged in limited lending activity. The independent third party shall prepare for the Board a staffing plan, including a management succession plan, to strengthen and improve the Savings Association's management and operations, designed in conjunction with the Business Plan ("Staffing Plan"). The Board must include the Staffing Plan as part of the Business Plan. The Staffing Plan must specifically address the Savings Association's deficiencies causing (A) high compensation expense relative to the limited operations (one office operation with limited loan activity) being conducted and (B) the payment of bonuses during periods of loss;

(v) A requirement that any material revision to the Business Plan shall require notice to OTS and an opportunity for OTS to object; and

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[4] The periods to which the targets relate shall coincide with the periods covered by the Savings Association's Thrift Financial Reports ("TFR").

[5] "Core income before provisions" shall be calculated as follows, using the numbered TFR lines indicated: ((SO11+SO18-SO21+SO410+SO411+SO420)-(SO51-SO570-SO560)-SO560)/SI870 x 4.

[6] "Non-interest expense as a percentage of average assets" shall be computed as follows, using the numbered TFR lines indicated: (SO51-SO570-SO560)/SI870 x 4.

(vi) A prohibition against the Savings Association's engaging in any activity that is not set forth in the Business Plan, without providing prior written notice to OTS and an opportunity for OTS to object.

(c) The Savings Association shall prepare a Budget corresponding to the Business Plan's goals and objectives, and shall devise a system to monitor its performance in comparison to the Budget. That system shall include the following elements:

(i) Quarterly projected (a) Balance Sheets, (b) Income Statements, and (c) a Regulatory Capital Schedule for the fourth quarter of 2007 and each quarter of the three-year period from 2008 through 2010. These projections shall be prepared in a manner consistent with the Thrift Financial Report so that projected items may be conveniently compared with actual performance. In particular, the projections shall be prepared in the format and according to the instructions contained in Section 625 of the OTS Applications Handbook, and shall include the following:

A. Form 1 – Balance Sheet
B. Form 2 – Income Statement
C. Form 4 – Table of Regulatory Capital Levels
D. Form 5 – Table of Loan Origination Levels
E. Form 6 – Interest Rate Assumptions for New Production;

(ii) The requirement that, on a quarterly basis, the Board review and evaluate the Savings Association's actual performance as compared to the projections in the Budget. Variances shall be analyzed and explained, and shall be accompanied by a specific description of the measures that have been implemented, or that the Savings Association proposes to implement, to correct or abate such variances, including when necessary, adjustments to the Budget or its underlying assumptions. All such reviews shall be documented in the minutes of the Board; and

(iii) A requirement that the Board update the Business Plan at least once each year to take into account the Savings Association's performance under the Business Plan and any changes in interest rates and market conditions. All actions taken by the Board, including the review, shall be documented in the Board's minutes. The Savings Association shall submit any updated or revised Business Plan to the Regional Director.

(d) The Savings Association's Board must participate in the formulation of the Business Plan and must approve it by formal action at a duly called and held meeting. The approval by the Board must specify whether the Budget was approved separately by formal action of the Board or as part of the Business Plan.

(e) Within 30 days after receiving the Savings Association's proposed Business Plan, the OTS will provide written notice to the Savings Association of whether the Business Plan has been found acceptable or seek additional information (and/or revisions) regarding the plan. The Savings Association shall commence implementation of the Business Plan immediately upon its receipt from the OTS of written notice of the acceptability of the regulatorily approved Business Plan ("Approved Business Plan", which term includes any such plan that is subsequently amended with written approval of the OTS).

(f) The Savings Association will be deemed to be in violation of this Order if, without prior written clearance from the OTS: (i) it fails to undertake the actions contemplated by such plan, (ii) it engages in any material respect in operations not contemplated by an Approved Business Plan, or (iii) the Savings Association's asset size exceeds the amounts projected in an Approved Business Plan by more than five percent (5%).

(g) The Savings Association may, after prior written notice to and approval by the OTS, amend an Approved Business Plan to reflect a change in circumstance. Until such time as a proposed amendment has been approved, the Savings Association shall not engage in activities not contemplated by the then outstanding and effective Approved Business Plan.

4. Compliance Program Management, Staffing and Resources.

(a) The Savings Association, at all times, shall have and implement an effective Compliance Management Program, *i.e.*, a program (with policies and procedures) for implementing and adhering to the Truth in Lending Act, the Truth in Savings Act, the Real Estate Settlement Procedures Act, and the other laws and regulations that are referenced in Section 1100 of the OTS' Examination Handbook (collectively the "Compliance Laws and Regulations").

(b) The Savings Association's Compliance Management Program may provide for outsourcing to qualified service providers, whose work shall be under the direction of the Savings Association's President. However, any such outsourcing shall not relieve the Savings Association, its officers and its Board of their responsibility for complying with the Compliance Laws and Regulations.

(c) *Adoption and Implementation of a Written Compliance Management Program.* Within ninety (90) days of the Effective Date hereof, the Savings Association shall commence implementation of a written Compliance Management Program, customized to the activities and needs of the Savings Association that meets the following requirements.

(i) The Savings Association's Board must review and approve the written Compliance Management Program, and such approval must be documented in the minutes of the meeting of the Board during which such action was taken.

(ii) The written Compliance Management Program, which must be reasonably designed to cause the Savings Association to comply with the Compliance Laws and Regulations, must, at a minimum, incorporate the following six SMAART components (which are described further in the OTS' written guidebook entitled "Compliance: A Self-Assessment Guide"):

Systems	The embodiment of task-specific procedures and internal controls that ensure that transactions are conducted and recorded in compliance with legal obligations and customer-service goals.
Monitoring	The process of supervising the day-to-day or week-to-week functioning of the Savings Association's compliance systems to assure real-time execution in accordance with program standards.
Assessment	The periodic review of system records and operations to identify transactional violations and program deficiencies.
Accountability	The arrangement of responsibility, authority and reporting relationships that provides direction to staff for implementing institution compliance policy and apprises senior management and the directors about compliance program performance.
Response	The process of addressing consumer complaints, remedying regulatory violations, amending procedures and controls, correcting internal oversight deficiencies, and implementing policy and system revisions or updates.
Training	The communication to appropriate Savings Association personnel of compliance policies, procedures, directives, regulatory requirements, product information and service goals. Also addressed by this component is the commitment and manner in which the Savings Association develops and maintains staff expertise.

(iii) Among other things, the written Compliance Management Program shall include policies, procedures, and checklists. It addition, it shall indicate the persons (including service providers) who shall be responsible for preparing particular documents and taking other actions required by the applicable Compliance Laws and Regulations.

5. Board Oversight Committee.

(a) No later than thirty (30) calendar days following the Effective Date of this Order, the Board shall establish and appoint an oversight committee of the Board (the "Oversight Committee") comprised of three or more directors, the majority of whom shall be Outside

Directors[7] to monitor and coordinate the Savings Association's compliance with the provisions of this Order.

(b) No less than monthly, the Savings Association's management shall provide to the Oversight Committee such information and reports as are necessary to allow said Committee and the Board to monitor the Savings Association's compliance and/or non-compliance with the requirements of this Order.

(c) Within thirty (30) days after the end of each calendar quarter, the Oversight Committee shall submit a written quarterly progress report to the Board that:

(i) Details the actions taken by the Savings Association to comply with each provision of this Order; also there must be descriptions of the results of such actions; and

(ii) Identifies all violations of this Order, and further describes all remedial actions that have been effected and/or that are contemplated with respect to such violations.

(d) Within forty-five (45) days after the end of each calendar quarter, the Board shall submit to the OTS: (i) a copy of the Oversight Committee's quarterly progress report required by the foregoing subparagraph, with any additional comments made by the Board, to the OTS, and (ii) a written certification that each director has reviewed the report.

(e) Nothing contained herein shall diminish the responsibility of the entire Board to ensure the Savings Association's compliance with the provisions of this Order.

6. Submissions to OTS.

All submissions to the OTS that are required by or contemplated by this Order, shall be sent to:

Mr. John F. Burke, Jr. Assistant Director Office of Thrift Supervision 35 Braintree Hill Park, Suite 201 Braintree, Massachusetts 02184	Mr. Thomas S. Angstadt Field Manager Office of Thrift Supervision Harborside Financial Center, Plaza Five, Ste. 1600 Jersey City, New Jersey 07311

7. Definitions; Successor Statutes, Regulations, Guidance, Amendments.

[7] As used in this Order, the term "Outside Director" means a director who is not: (i) an officer or employee of the Savings Association (a mutual institution), or (ii) a service provider (or service provider principal or employee) engaged to provide services for the Savings Association.

(a) All technical words or terms used in this Order for which meanings are not specified or otherwise provided by the provisions of this Order shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, the Home Owners' Loan Act ("HOLA"), the Federal Deposit Insurance Act ("FDIA"), OTS CEO Memoranda, OTS examination handbooks, and/or other published OTS guidance. Any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, the HOLA, the FDIA, or OTS Memoranda/guidance shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

(b) Reference in this Order to provisions of statutes, regulations, OTS Handbooks, OTS CEO Memoranda, OTS examination handbooks, and other published regulatory guidance shall be deemed to include references to all amendments to such provisions as have been made as of the Effective Date and references to successor provisions as they become applicable.

8. No Violations Authorized; OTS Not Restricted.

Nothing in this Order or the Stipulation shall be construed as: (a) allowing the Savings Association to violate any law, rule, regulation, or policy statement to which it is subject, or (b) restricting or estopping the OTS from taking any action(s) that it believes are appropriate in fulfilling the responsibilities placed upon it by law including, without limitation, any type of supervisory, enforcement or other action that OTS determines to be appropriate, arising out of matters described in the most recent Report of Examination, or based on other matters.

9. Time Limits; Effect of Headings; Separability Clause; Stipulation Incorporated.

(a) Time limitations for compliance with the terms of this Order run from the Effective Date, unless otherwise noted. The OTS' Regional Director (or his designee), in the exercise of his discretion, may extend any of the deadlines set forth in the provisions of this Order by providing written notice to the Savings Association of any such extension.

(b) The section and paragraph headings herein are for convenience only and shall not affect the construction hereof.

(c) In case any provision in this Order is ruled to be invalid, illegal or unenforceable by the decision of any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his/her sole discretion determines otherwise.

(d) The Stipulation is made a part hereof and is incorporated herein by this reference.

10. Effective Date; Duration.

This Order is and shall become effective on the date it is issued, *i.e.*, the Effective Date as shown on the first page hereof. This Order (including the related Stipulation) shall remain in effect until terminated, modified or suspended, in writing by the OTS, acting through its Director, Regional Director or other authorized representative.

OFFICE OF THRIFT SUPERVISION

By: */s/ Michael E. Finn*
Michael E. Finn
Regional Director, Northeast Region