

UNITED STATES OF AMERICA  
Before the  
OFFICE OF THRIFT SUPERVISION, DEPARTMENT OF THE TREASURY

In the Matter of )  
CONCETTA CANNATARO, ) Re: OTS Order No. NE96-9  
 )  
formerly an employee of ) Dated: May 22, 1996  
Summit Federal Savings & Loan )  
Association, Summit, New Jersey )  
\_\_\_\_\_ )

STIPULATION AND CONSENT TO ISSUANCE OF CONSENT ORDER

This Stipulation and Consent to Issuance of Consent Order ("Stipulation"), concerning the accompanying CONSENT ORDER OF PROHIBITION (the "Order"), is made by CONCETTA CANNATARO, and is accepted by the OFFICE OF THRIFT SUPERVISION ("OTS"), an office within the United States Department of the Treasury, acting by and through its Acting Regional Director for the Northeast Region.

R E C I T A L S

WHEREAS, until January 25, 1996, CONCETTA CANNATARO was an employee in the mortgage department of Summit Federal Savings & Loan Association, Summit, New Jersey ("Summit Federal") (OTS Docket No. 4281), which is a federally chartered savings association regulated by the OTS; and

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, finds that at various times since December 1992 CONCETTA CANNATARO enriched herself at Summit Federal's expense by -- (i) engaging in unauthorized conduct that caused Summit Federal's computerized loan records to show a \$100,000 increase in the available credit line amount of an

existing home equity loan account in the name of her parents; and  
(ii) thereafter drawing funds against that increased credit line,  
which funds were used by CONCETTA CANNATARO;<sup>1</sup> and

WHEREAS, in view of the foregoing, the OTS further finds that  
CONCETTA CANNATARO engaged in unsafe or unsound banking practices  
that exposed Summit Federal to undue risk of loss and that  
provided financial gain or other benefit to CONCETTA CANNATARO,  
and such unsafe or unsound practices involved personal dishonesty  
and/or demonstrated willful or continuing disregard by CONCETTA  
CANNATARO for the safety or soundness of Summit Federal; and

WHEREAS, in view of the foregoing, the OTS has informed  
CONCETTA CANNATARO that the OTS is of the opinion that the grounds  
exist to initiate an administrative proceeding against her for the  
issuance by the OTS of a prohibition order, pursuant to Section  
8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §  
1818(e);<sup>2</sup> and

WHEREAS, CONCETTA CANNATARO wishes to cooperate with the OTS  
and to avoid the time and expense of administrative litigation  
with the OTS.

NOW, THEREFORE, CONCETTA CANNATARO without admitting or  
denying the OTS's findings, opinions, and conclusions expressed  
above (except those as to the OTS's jurisdiction over her, which  
are admitted in paragraph 2 below) or that the aforesaid statutory  
grounds exist, hereby stipulates and agrees as follows:

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1. In January 1996 CONCETTA CANNATARO returned \$100,000 to  
Summit Federal.

2. All references to the United States Code ("U.S.C.") in this  
Stipulation and the Order are to the U.S.C. as amended.

1. Consideration. CONCETTA CANNATARO, in view of the foregoing premises and for the purposes of this settlement only, hereby voluntarily enters into this Stipulation and consents to issuance of the accompanying Order in consideration for OTS forever releasing and discharging her from all potential administrative claims and charges, pursuant to provisions of 12 U.S.C. § 1818 or otherwise, that have been or might have been asserted by the OTS against her based on any of her acts and/or omissions relating or incident to the above-described misconduct by her during December 1992 through January 1996 with respect to the Summit Federal home equity loan secured by real estate at 325 Pleasant Run Road, Neshanic Station, New Jersey.

2. Jurisdiction.

(a) Summit Federal is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C. § 1462(4). Summit Federal also is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) CONCETTA CANNATARO was an employee of Summit Federal, and with respect to Summit Federal is an "institution-affiliated party," as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of her execution of this Stipulation.

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" to maintain administrative enforcement proceedings against institution-affiliated parties relative to savings associations,

and therefore CONCETTA CANNATARO is subject to the jurisdiction and authority of the OTS to initiate and maintain administrative proceedings against her pursuant to provisions of Section 8 of the FDIA, 12 U.S.C. § 1818, including but not limited to 12 U.S.C. § 1818(e).

3. Consent. CONCETTA CANNATARO consents to the issuance by the OTS of the Order, and agrees to comply with the terms of the Order. CONCETTA CANNATARO further stipulates that the Order (including the OTS's issuance thereof) complies with all requirements of law.

4. Finality. The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(e). Upon its issuance by the OTS (by and through its Acting Regional Director for the Northeast Region), the Order shall be a final order that is effective and fully enforceable by the OTS under provisions of federal law, including, but not limited to, 12 U.S.C. § 1818(i).

5. Waivers; Other Proceedings Not Affected.

(a) CONCETTA CANNATARO voluntarily and knowingly waives: (i) her right, pursuant to 12 U.S.C. § 1818(e) and other federal law, to be served with a written notice of the OTS's charges against her; (ii) her right, pursuant to 12 U.S.C. § 1818(e) and other federal law, to an administrative adjudicatory hearing of the OTS's charges against her; and (iii) the right to seek judicial review of the Order, including (but not limited to) any such right provided by 12 U.S.C. § 1818(h)(2), or otherwise to challenge the validity of the Order.

(b) CONCETTA CANNATARO further voluntarily and knowingly

waives any and all claims for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law or under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

(c) CONCETTA CANNATARO acknowledges and agrees that her consent to the OTS's issuance of the Order is intended solely for purposes of settling and resolving the OTS's administrative claims against her, as provided by paragraph 1 hereof, and does not release, discharge, compromise, settle, dismiss, resolve, affect, or preclude any other actions, claims, charges against, or proceedings (whether civil or criminal) against her that may be or have been brought by the OTS or any other government agency or entity.

6. Indemnification. CONCETTA CANNATARO shall neither (i) cause or permit Summit Federal (or any subsidiary or other affiliate thereof) to incur, directly or indirectly, any Covered Expenses (as defined below), nor (ii) apply to or obtain any indemnification (or other reimbursement) from Summit Federal (or any subsidiary or other affiliate thereof) with respect to any such Covered Expenses directly or indirectly incurred by her. Any such payments to cover Covered Expenses received by or on behalf of CONCETTA CANNATARO shall be returned to Summit Federal. For purposes of this paragraph, "Covered Expenses" refers to any legal or other professional expenses incurred by CONCETTA CANNATARO in connection with: (i) the OTS's inquiry concerning the activities of CONCETTA CANNATARO at Summit Federal; and/or (ii) the negotiation of this settlement concluded by execution of this

Stipulation and issuance of the Order.

7. Miscellaneous.

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

(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns due to the operation of Federal banking law, including any amendments thereto.

(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.

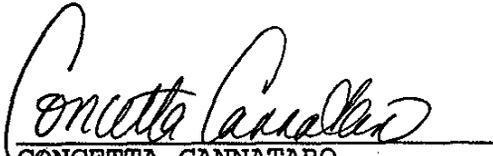
(d) The consent by CONCETTA CANNATARO to the OTS's issuance of the accompanying Order, pursuant to this Stipulation, is intended to effect a settlement with the OTS, and nothing in the aforesaid documents precludes CONCETTA CANNATARO from interposing in any proceeding any objection to the use of the Order and this Stipulation that may be raised under Fed. R. Evid. 408, 12 C.F.R. § 509.15, or any other similar law or rule concerning the admissibility of a settlement (or offers therefor) as evidence in a proceeding; provided, however, that the Order and this Stipulation may be used in any proceeding brought by the OTS against CONCETTA CANNATARO for enforcement of the Order or as otherwise provided by 12 U.S.C. § 1818(i).

(e) The terms of this Stipulation and the Order represent the final written agreement of the parties with respect

to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters.

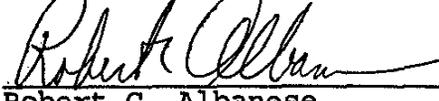
(f) The terms of this Stipulation may not be amended or modified except by formal written agreement of the parties hereto.

WHEREFORE, on this 20th day of May 1996, CONCETTA CANNATARO executes this Stipulation, intending to be legally bound hereby.

  
\_\_\_\_\_  
CONCETTA CANNATARO

Accepted on May 22, 1996 by:

OFFICE OF THRIFT SUPERVISION

By:   
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Robert C. Albanese  
Acting Regional Director,  
Northeast Region

(5.14)

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Before the  
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|                                 |   |                      |
|---------------------------------|---|----------------------|
| In the Matter of                | ) |                      |
|                                 | ) |                      |
| CONCETTA CANNATARO,             | ) | OTS Order No. NE96-9 |
|                                 | ) |                      |
| formerly an employee of         | ) | Dated: May 22, 1996  |
| Summit Federal Savings & Loan   | ) |                      |
| Association, Summit, New Jersey | ) |                      |
| _____                           | ) |                      |

CONSENT ORDER OF PROHIBITION

WHEREAS, CONCETTA CANNATARO, until January 25, 1996, had been an employee of Summit Federal Savings & Loan Association, Summit, New Jersey ("Summit Federal"), which is a federally chartered savings association regulated by the Office of Thrift Supervision ("OTS"); and

WHEREAS, CONCETTA CANNATARO has executed the accompanying Stipulation and Consent to Issuance of Consent Order ("Stipulation"); and

WHEREAS, CONCETTA CANNATARO, in the Stipulation, has consented and agreed to the OTS's issuance of this CONSENT ORDER OF PROHIBITION ("Order") pursuant to section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e);<sup>1</sup> and

WHEREAS, the undersigned OTS Acting Regional Director has been duly delegated the authority to cause the OTS to issue consent orders.

NOW THEREFORE, IT IS ORDERED that:

1. CONCETTA CANNATARO is prohibited from participating in any manner in the conduct of the affairs of Summit Federal Savings

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1. All references to the United States Code (U.S.C.) are as amended, except as otherwise specified.

& Loan Association, Summit, New Jersey, and any subsidiaries, service corporations or other affiliates thereof, and CONCETTA CANNATARO thereby is and shall be subject to the statutory prohibitions provided by section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Due to and without limitation on the operation of 12 U.S.C. §§ 1818(e)(6) and 1818(e)(7), CONCETTA CANNATARO, except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(A) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A) (the "Paragraph (7)(A) Institutions"), including, but not limited to:

- (i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- (ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3), (b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;
- (iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. §§ 1781 et seq.;
- (iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 et seq.;
- (v) any appropriate Federal financial institutions

regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(D); and

(vi) the Federal Housing Finance Board and any Federal Home Loan Bank.

(B) solicit, procure, transfer, attempt to transfer, vote or attempt to vote any proxy, consent or authorization with respect to any voting rights in any Paragraph (7)(A) Institution;

(C) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. § 1813(q); or

(D) vote for a director, or serve or act as an "institution-affiliated party," as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

2. CONCETTA CANNATARO shall promptly and appropriately respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

3. Due to issuance of this Order, CONCETTA CANNATARO is a person "subject to an order in effect under subsection (e)" of FDIA section 8 for purposes of section 8(j) of the FDIA, 12 U.S.C. § 1818(j).

4. The Stipulation is made a part hereof and is incorporated herein by this reference.

5. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. This Order shall remain in effect until it is terminated, modified or suspended,

which may occur only by formal written action of the OTS, acting by and through its Director, Regional Director or other authorized representative.

OFFICE OF THRIFT SUPERVISION

By: 

Robert C. Albanese  
Acting Regional Director,  
Northeast Region

(5.14 final)