

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY

In the Matter of

ARMONDO FELICETTI,

Former President,
Fidelity Federal Savings
and Loan Association,
Philadelphia, Pennsylvania

Re: NE94-37

Dated: September 29, 1994

ORDER OF PROHIBITION

WHEREAS, Armondo Felicetti ("Felicetti"), has executed a Stipulation and Consent to Entry of Order of Prohibition ("Stipulation") on September 22, 1994; and

WHEREAS, Felicetti, by the execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition ("Order") by the Office of Thrift Supervision ("OTS") pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e).

NOW THEREFORE, it is ORDERED that:

1. Felicetti is prohibited from further participation, in any manner, in the conduct of Fidelity Federal Savings and Loan Association, Philadelphia, Pennsylvania ("Fidelity") and any holding company, subsidiary, and/or service corporation thereof.

Due to, and without limitation on, the operation of 12 U.S.C. §§ 1818(e)(6) 1818(e)(7), Felicetti, 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);
- (vi) the Federal Housing Finance Board and any

Federal Home Loan Bank; and

(vii) the Resolution Trust Corporation.

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

3. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued.

4. Felicetti shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

THE OFFICE OF THRIFT SUPERVISION

By:



Angelo Vigna
Regional Director
Northeast Region

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DEPARTMENT OF THE TREASURY

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Re: NE94-37

Dated: September 29, 1994

STIPULATION AND CONSENT TO
ENTRY OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Armondo Felicetti ("Felicetti"), former President of Fidelity Federal Savings and Loan Association, Philadelphia, Pennsylvania ("Fidelity") that the OTS has concluded that grounds exist to initiate an administrative prohibition proceeding against Felicetti pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), (12 U.S.C. § 1818(e)¹; and

WHEREAS, Felicetti wants to avoid the time and expense of such administrative litigation, and hereby stipulates and agrees to the following terms:

1. All references in this Stipulation and Consent and the Order of Prohibition to the U.S.C. are as amended.

1. Jurisdiction and Facts.

(a) Fidelity 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 of 1933 ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Felicetti, as a former President and member of the Board of Directors of Fidelity, is an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3(q) of the FDIA, the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association and/or its institution-affiliated parties. Therefore, Felicetti is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

(d) Felicetti admits the jurisdiction of the OTS over him and over the subject matter of this action pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

2. Admissions. From in or about September 1986, to in or about January 1989, Felicetti corruptly solicited and demanded for his own benefit cash and property with a value of at least \$100,000, intending to be influenced and rewarded in connection with a transaction of Fidelity.

Specifically, on or about September 22, 1986, Fidelity's

Board of Directors awarded a contract totaling \$2,075,000 to a general contractor for the building of a new headquarters building for Fidelity. In connection with the award of this contract, Felicetti solicited and demanded a payment of approximately \$100,000 from the contractor.

In return, Felicetti informed the contractor of the amount to bid in order to be the low bidder in the ~~secret bidding~~ process conducted by the Board, and also expressed his personal favorable opinion of the contractor to other members of the Board. Following the award of the contract and the commencement of construction, the contractor made cash payments to Felicetti totaling approximately \$50,000 and gave Felicetti partnership interests in real estate investment partnerships which the parties expected would be worth approximately the same amount, all pursuant to the payment agreement.

3. Consent. Felicetti consents to the issuance of the accompanying Order, agrees to comply with its terms upon issuance, and stipulates that the Order complies with all the requirements of law.

4. Finality. The Order is issued by the OTS under Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance, by the Regional Director or designee for the Northeast Region, OTS, it 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. Felicetti waives the following:

(a) the right to be served with a written notice of

the OTS's charges against him; and

(b) the right to an administrative hearing of the OTS's charges against him; and

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

6. Financial Representations. OTS' decision to enter into this Stipulation and Order has been predicated in part upon financial representations made by Felicetti to the United States Attorney for the Eastern District of Pennsylvania. Felicetti asserts that all information supplied by him to the U. S. Attorney and OTS was done in good faith and based upon his best knowledge, information, and belief. Felicetti understands that should OTS discover or learn from any source that the representations made by him in or concerning the financial statement were ~~not~~ not made in good faith based upon his best knowledge, information and belief, including but not limited to the failure to identify and/or properly value any material asset, OTS reserves the right to take any action authorized by law, including, at its sole option, to impose civil money penalties under 12 U.S.C. § 1818(i), and/or to seek restitution or other affirmative relief for his conduct in connection with the affairs of Fidelity under 12 U.S.C. § 1818(b), notwithstanding the Order entered pursuant to this Stipulation.

7. Other Government Actions Not Affected. Felicetti acknowledges and agrees that the consent to the entry of the

Order is for the sole purpose of resolving and precluding any action which may be brought by OTS against Felicetti seeking any punishment, penalty, fine, restitution, reimbursement, indemnification or guarantee against loss, based on Felicetti's position or conduct as a director, officer and/or employee of Fidelity, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Felicetti that that may be or have been brought by any government entity other than the OTS.

WHEREFORE, Felicetti executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound hereby.

By:

Accepted by:
Office of Thrift Supervision

Armondo Felicetti
Armondo Felicetti

Angelo Vigna
Angelo Vigna
Northeast Region

Date: 9/22/94

Date: 9/29/94

NOTARIZATION

STATE OF Pennsylvania)
COUNTY OF Pennsylvania)

ss.

Armondo Felicetti, being known to me, did subscribe to the foregoing in my presence, this 22nd day of September 1994.

Chavala M. Settles (SEAL)
Notary Public

My commission expires: 11-25-96

Notarial Seal
Chavala M. Settles, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Nov. 25, 1996
Member, Pennsylvania Association of Notaries